Canada

Debates of the Senate

OFFICIAL REPORT
(HANSARD)

THE HONOURABLE MARK ROBERT DROUIN,
SPEAKER

1960

THIRD SESSION, TWENTY-FOURTH PARLIAMENT

8-9 ELIZABETH II

The Session was opened on January 14, 1960
and was prorogued on August 10, 1960

ROGER DUHAMEL, F.R.S.C.
QUEEN'S PRINTER AND CONTROLLER OF STATIONERY
OTTAWA, 1960

79955-1—A

THE MINISTRY

According to Precedence

August 10, 1960

THE RIGHT HONOURABLE JOHN GEORGE DIEFENBAKER, M.P.	Prime Minister
THE HONOURABLE HOWARD CHARLES GREEN, M.P.	Secretary of State for External Affairs
THE HONOURABLE DONALD METHUEN FLEMING, M.P.	Minister of Finance and Receiver General
THE HONOURABLE ALFRED JOHNSON BROOKS, M.P.	Minister of Veterans Affairs
THE HONOURABLE GEORGE HEES, M.P.	Minister of Transport
THE HONOURABLE LÉON BALCER, M.P.	Solicitor General and Acting Secretary of State
THE HONOURABLE GEORGE RANDOLPH PEARKES, M.P.	Minister of National Defence
THE HONOURABLE GORDON CHURCHILL, M.P.	Minister of Trade and Commerce.
THE HONOURABLE EDMUND DAVIE FULTON, M.P.	Minister of Justice and Attorney General
THE HONOURABLE GEORGE CLYDE NOWLAN, M.P.	Minister of National Revenue
THE HONOURABLE DOUGLAS SCOTT HARKNESS, M.P.	Minister of Agriculture
THE HONOURABLE ELLEN LOUKS FAIRCLOUGH, M.P.	Minister of Citizenship and Immigration
THE HONOURABLE J. ANGUS MACLEAN, M.P.	Minister of Fisheries
THE HONOURABLE MICHAEL STARR, M.P.	Minister of Labour
THE HONOURABLE WILLIAM MCLEAN HAMILTON, M.P.	Postmaster General

79955-1—A½

THE HONOURABLE WILLIAM J. BROWNE, M.P.	Minister without Portfolio
THE HONOURABLE PAUL COMTOIS, M.P.	Minister of Mines and Technical Surveys
THE HONOURABLE JAY WALDO MONTEITH, M.P.	Minister of National Health and Welfare
THE HONOURABLE FRANCIS ALVIN GEORGE HAMILTON, M.P.	Minister of Northern Affairs and National Resources
THE HONOURABLE RAYMOND JOSEPH MICHAEL O'HURLEY, M.P.	Minister of Defence Production
THE HONOURABLE DAVID JAMES WALKER, M.P.	Minister of Public Works
THE HONOURABLE JOSEPN PIERRE ALBERT SEVIGNY, M.P.	Associate Minister of National Defence

PARLIAMENTARY SECRETARIES

To the Prime Minister	PAUL MARTINEAU, M.P.
To the Secretary of State for External Affairs	W. B. NESBITT, M.P.
To the Minister of Finance	RICHARD A. BELL, M.P.
To the Minister of Veterans Affairs	WALTER G. DINSDALE, M.P.
To the Minister of Transport	CLAYTON W. HODGSON, M.P.
To the Minister of National Defence	EGAN CHAMBERS, M.P.
To the Minister of Trade and Commerce	JOHN C. PALLETT, M.P.
To the Minister of Justice	THOMAS M. BELL, M.P.
To the Minister of National Revenue	MARCEL LAMBERT, M.P.
To the Minister of Agriculture	L. E. CARDIFF, M.P.
To the Minister of Citizenship and Immigration	JOHN A. CHARLTON, M.P.
To the Minister of Fisheries	ROLAND L. ENGLISH, M.P.
To the Minister of Labour	RICHARD D. THRASHER, M.P.
To the Postmaster General	EDMUND L. MORRIS, M.P.
To the Minister of Public Works	YVON-R. TASSÉ, M.P.

PRINCIPAL OFFICERS OF THE PRIVY COUNCIL

Clerk of the Privy Council and Secretary to the Cabinet	R. B. BRYCE
Assistant Clerk of the Privy Council	A. M. HILL

SENATORS OF CANADA

ACCORDING TO SENIORITY

August 10, 1960

THE HONOURABLE MARK ROBERT DROUIN, SPEAKER

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ARTHUR C. HARDY, P.C.	Leeds	Brockville, Ont.
DONAT RAYMOND	De la Vallière	Montreal, Que.
CAIRINE R. WILSON	Rockcliffe	Ottawa, Ont.
RALPH BYRON HORNER	Blaine Lake	Blaine Lake, Sask.
WALTER MORLEY ASELTINE	Rosetown	Rosetown, Sask.
FELIX P. QUINN	Bedford-Halifax	Bedford, N.S.
JOHN T. HAIG, P.C.	Winnipeg	Winnipeg, Man.
JOHN WALLACE DE B. FARRIS	Vancouver South	Vancouver, B.C.
ADRIAN K. HUGESSEN	Inkerman	Montreal, Que.
NORMAN P. LAMBERT	Ottawa	Ottawa, Ont.
ARTHUR LUCIEN BEAUBIEN	Provencher	St. Jean Baptiste, Man.
ARISTIDE BLAIS	St. Albert	Edmonton, Alta.
CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke, Que.
SALTER ADRIAN HAYDEN	Toronto	Toronto, Ont.
NORMAN MCLEOD PATERSON	Thunder Bay	Fort William, Ont.
WILLIAM DAUM EULER, P.C.	Waterloo	Kitchener, Ont.
LÉON MERCIER GOUIN	De Salaberry	Montreal, Que.
THOMAS VIEN, P.C.	De Lorimier	Outremont, Que.
WILLIAM RUPERT DAVIES	Kingston	Toronto, Ont.
GORDON PETER CAMPBELL	Toronto	Toronto, Ont.
WISHART MCLEA ROBERTSON, P.C.	Shelburne	Truro, N.S.
TÉLESPHORE DAMIEN BOUCHARD	The Laurentides	St. Hyacinthe, Que.
CYRILLE VAILLANCOURT	Kennebec	Lévis, Que.
THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg, Man.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford, Ont.
FRED WILLIAM GERSHAW	Medicine Hat	Medicine Hat, Alta.
VINCENT DUPUIS	Rigaud	Montreal, Que.
CHARLES L. BISHOP	Ottawa	Ottawa, Ont.
JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg, N.S.
CLARENCE JOSEPH VENIOT	Gloucester	Bathurst, N.B.
ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto, Ont.
JOHN ALEXANDER MCDONALD	Kings	Halifax, N.S.
ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John, N.B.
GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson, N.B.
JEAN-MARIE DESSUREAULT	Stadacona	Quebec, Que.
PAUL HENRI BOUFFARD	Grandville	Quebec, Que.
JAMES GRAY TURGEON	Cariboo	Vancouver, B.C.
STANLEY STEWART MCKEEN	Vancouver	Vancouver, B.C.
THOMAS FARQUHAR	Algoma	Little Current, Ont.
JAMES WILLIE COMEAU	Clare	Comeauville, N.S.
THOMAS H. WOOD	Regina	Regina, Sask.
THOMAS VINCENT GRANT	Montague	Montague, P.E.I.
WILLIAM ALEXANDER FRASER	Trenton	Trenton, Ont.
WILLIAM HENRY GOLDING	Huron-Perth	Seaforth, Ont.
GEORGE H. BARBOUR	Prince	Charlottetown, P.E.I.
ALEXANDER BOYD BAIRD	St. John's	St. John's, Nfld.
RAY PETTEN	Bonavista	St. John's, Nfld.
THOMAS REID	New Westminster	New Westminster, B.C.
J. WESLEY STAMBAUGH	Bruce	Bruce, Alta.
GORDON B. ISNOR	Halifax-Dartmouth	Halifax, N.S.
CALVERT C. PRATT	St. John's West	St. John's, Nfld.
MICHAEL G. BASHA	West Coast	Curling, Nfld.
MARIANA BEAUCHAMP JODOIN	Sorel	Montreal, Que.
MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton, N.B.
ALLAN L. WOODROW	Toronto Centre	Toronto, Ont.
FREDERICK GORDON BRADLEY, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford, Ont.
JOSEPH ARTHUR BRADETTE	Cochrane	Cochrane, Ont.
LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie, Que.
SARTO FOURNIER	De Lanaudière	Montreal, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
AUREL D. LÉGER	Kent	Grande Digue, N.B.
JOHN J. CONNOLLY	Ottawa West	Ottawa, Ont.
NANCY HODGES	Victoria	Victoria, B.C.
DONALD CAMERON	Banff	Edmonton, Alta.
WILLIAM M. WALL	Winnipeg	Winnipeg, Man.
DAVID A. CROLL	Toronto-Spadina	Toronto, Ont.
THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto, Ont.
FRED A. MCGRAND	Sunbury	Fredericton Junction, N.B.
CALIXTE F. SAVOIE	L'Acadie	Moncton, N.B.
DONALD SMITH	Queens-Shelburne	Liverpool, N.S.
HAROLD CONNOLLY	Halifax North	Halifax, N.S.
FLORENCE ELSIE INMAN	Murray Harbour	Montague, P.E.I.
HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal, Que.
CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme, Que.
JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup, Que.
SYDNEY JOHN SMITH	Kamloops	Kamloops, B.C.
AUSTIN CLAUDE TAYLOR	Westmorland	Salisbury, N.B.
WILLIAM ALBERT BOUCHER	Prince Albert	Prince Albert, Sask.
HENRI CHARLES BOIS	Montarville	St. Bruno, Chambly Co., Que.
J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal, Que.
GEORGE STANLEY WHITE	Hastings-Frontenac	Madoc, Ont.
MARK ROBERT DROUIN (Speaker)	La Salle	Quebec, Que.
CLARENCE V. EMERSON	Saint John-Albert	Saint John, N.B.
JOSEPH A. SULLIVAN	North York	Toronto, Ont.
WILLIAM RALPH BRUNT	Hanover	Hanover, Ont.
ARTHUR M. PEARSON	Lumsden	Lumsden, Sask.
LÉON MÉTHOT	Shawinigan	Trois Rivières, Que.
GUSTAVE MONETTE	Mille Isles	Montreal, Que.
JOHN JOSEPH MACDONALD	Queens	R.R. 9, Charlottetown, P.E.I.
GUNNAR S. THORVALDSON	Winnipeg South	Winnipeg, Man.
JAMES GLADSTONE	Lethbridge	Cardston, Alta.
LIONEL CHOQUETTE	Ottawa East	Ottawa, Ont.
JOHN G. HIGGINS	St. John's East	St. John's, Nfld.
JOHN ALEXANDER BUCHANAN	Edmonton	Edmonton, Alta.
JOHN HNATYSHYN	Saskatoon	Saskatoon, Sask.
FREDERICK MURRAY BLOIS	Colchester-Hants	Truro N. S.
OLIVE LILLIAN IRVINE	Lisgar	Winnipeg, Man.
HENRI COURTEMANCHE, P.C.	Rougemont	Mont Laurier, P.Q.
JOHN MICHAEL MACDONALD	Cape Breton	North Sydney, N.S.

SENATORS OF CANADA

ALPHABETICAL LIST

August 10, 1960

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
ASELTINE, W. M.	Rosetown	Rosetown, Sask.
BAIRD, A. B.	St. John's	St. John's, Nfld.
BARBOUR, GEORGE H.	Prince	Charlottetown, P.E.I.
BASHA, MICHAEL G.	West Coast	Curling, Nfld.
BEAUBIEN, Arthur L.	Provencher	St. Jean Baptiste, Man.
BISHOP, CHARLES L.	Ottawa	Ottawa, Ont.
BLAIS, ARISTIDE	St. Albert	Edmonton, Alta.
BLOIS, FRED. M.	Colchester-Hants	Truro, N. S.
BOIS, HENRI C.	Montarville	St. Bruno, Chambly Co., Que.
BOUCHARD, T. D.	The Laurentides	St. Hyacinthe, Que.
BOUCHER, WILLIAM A.	Prince Albert	Prince Albert, Sask.
BOUFFARD, PAUL H.	Grandville	Quebec, Que.
BRADETTE, JOSEPH A.	Cochrane	Cochrane, Ont.
BRADLEY, F. GORDON, P.C.	Bonavista-Twillingate	Bonavista, Nfld.
BRUNT, WILLIAM R.	Hanover	Hanover, Ont.
BUCHANAN, JOHN A.	Edmonton	Edmonton, Alta.
BURCHILL, G. PERCIVAL	Northumberland-Miramichi	South Nelson, N.B.
CAMERON, DONALD	Banff	Edmonton, Alta.
CAMPBELL, G. PETER	Toronto	Toronto, Ont.
CHOQUETTE, LIONEL	Ottawa East	Ottawa, Ont.
COMEAU, J. W.	Clare	Comeauville, N.S.
CONNOLLY, HAROLD	Halifax North	Halifax, N.S..
CONNOLLY, JOHN J.	Ottawa West	Ottawa, Ont.
COURTEMANCHE, HENRI, P.C.	Rougemont	Mont Laurier, P.Q.
CRERAR, T. A., P.C.	Churchill	Winnipeg, Man.
CROLL, DAVID A.	Toronto-Spadina	Toronto, Ont.
DAVIES, W. RUPERT	Kingston	Toronto, Ont.
DESSUREAULT, J.-M.	Stadacona	Quebec, Que.
DROUIN, MARK R., (Speaker)	La Salle	Quebec, Que.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
DUPUIS, VINCENT	Rigaud	Montreal, Que.
EMERSON, CLARENCE V.	Saint John-Albert	Saint John, N.B.
EULER, W. D., P.C.	Waterloo	Kitchener, Ont.
FARQUHAR, THOMAS	Algoma	Little Current, Ont.
FARRIS, J. W. DE B.	Vancouver South	Vancouver, B.C.
FERGUSSON, MURIEL McQ.	Fredericton	Fredericton, N.B.
FOURNIER, SARTO	De Lanaudière	Montreal, Que.
FRASER, WILLIAM A.	Trenton	Trenton, Ont.
GERSHAW, F. W.	Medicine Hat	Medicine Hat, Alta.
GLADSTONE, JAMES	Lethbridge	Cardston, Alta.
GOLDING, WILLIAM H.	Huron-Perth	Seaforth, Ont.
GOUIN, L. M.	De Salaberry	Montreal, Que.
GRANT, THOMAS V.	Montague	Montague, P.E.I.
HAIG, JOHN T., P.C.	Winnipeg	Winnipeg, Man.
HARDY, ARTHUR C., P.C.	Leeds	Brockville, Ont.
HAYDEN, SALTER A.	Toronto	Toronto, Ont.
HIGGINS, JOHN G.	St. John's East	St. John's, Nfld.
HNATYSHYN, JOHN	Saskatoon	Saskatoon, Sask.
HODGES, NANCY	Victoria	Victoria, B.C.
HORNER, R. B.	Blaine Lake	Blaine Lake, Sask.
HOWARD, CHARLES B.	Wellington	Sherbrooke, Que.
HUGESSEN, A. K.	Inkerman	Montreal, Que.
INMAN, F. ELSIE	Murray Harbour	Montague, P.E.I.
IRVINE, OLIVE L.	Lisgar	Winnipeg, Man.
ISNOR, GORDON B.	Halifax-Dartmouth	Halifax, N.S.
JODOIN, MARIANA B.	Sorel	Montreal, Que.
KINLEY, JOHN J.	Queens-Lunenburg	Lunenburg, N.S.
LAMBERT, NORMAN P.	Ottawa	Ottawa, Ont.
LEFRANÇOIS, J. EUGÈNE	Repentigny	Montreal, Que.
LÉGER, AUREL D.	Kent	Grande Digue, N.B.
LEONARD, T. D'ARCY	Toronto-Rosedale	Toronto, Ont.
MACDONALD, JOHN J.	Queens	R.R. 9, Charlottetown, P.E.I.
MACDONALD, JOHN M.	Cape Breton	North Sydney, N.S.
MACDONALD, W. ROSS, P.C.	Brantford	Brantford, Ont.
MCDONALD, JOHN A.	Kings	Halifax, N.S.
MCGRAND, FRED A.	Sunbury	Fredericton Junction, N.B.
MCKEEN, STANLEY S.	Vancouver	Vancouver, B.C.

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
McLEAN, A. NEIL	Southern New Brunswick	Saint John, N.B.
MÉTHOT, LÉON	Shawinigan	Trois Rivières, Que.
MOLSON, HARTLAND DE M.	Alma	Montreal, Que.
MONETTE, GUSTAVE	Mille Isles	Montreal, Que.
PATERSON, NORMAN McL.	Thunder Bay	Fort William, Ont.
PEARSON, ARTHUR M.	Lumsden	Lumsden, Sask.
PETTEN, RAY	Bonavista	St. John's, Nfld.
POULIOT, JEAN-FRANÇOIS	De la Durantaye	Rivière du Loup, Que.
POWER, C. G., P.C.	Gulf	St. Pacôme, Que.
PRATT, CALVERT C.	St. John's West	St. John's, Nfld.
QUINN, FELIX P.	Bedford-Halifax	Bedford, N.S.
RAYMOND, DONAT	De la Vallière	Montreal, Que.
REID, THOMAS	New Westminster	New Westminster, B.C.
ROBERTSON, WISHART McL., P.C.	Shelburne	Truro, N.S.
ROEBUCK, ARTHUR W.	Toronto-Trinity	Toronto, Ont.
SAVOIE, CALIXTE F.	L'Acadie	Moncton, N.B.
SMITH, DONALD	Queens-Shelburne	Liverpool, N.S.
SMITH, SYDNEY J.	Kamloops	Kamloops, B.C.
STAMBAUGH, J. WESLEY	Bruce	Bruce, Alta.
SULLIVAN, JOSEPH A.	North York	Toronto, Ont.
TAYLOR, AUSTIN C.	Westmorland	Salisbury, N.B.
TAYLOR, WILLIAM H.	Norfolk	R.R. 3, Brantford, Ont.
THORVALDSON, GUNNAR S.	Winnipeg South	Winnipeg, Man.
TREMBLAY, LEONARD D. S.	Lauzon	St. Malachie, Que.
TURGEON, GRAY	Cariboo	Vancouver, B.C.
VAILLANCOURT, CYRILLE	Kennebec	Lévis, Que.
VENIOT, CLARENCE J.	Gloucester	Bathurst, N.B.
VIEN, THOMAS, P.C.	De Lorimier	Outremont, Que.
WALL, WILLIAM M.	Winnipeg	Winnipeg, Man.
WHITE, GEORGE S.	Hastings-Frontenac	Madoc, Ont.
WILSON, CAIRINE R.	Rockcliffe	Ottawa, Ont.
WOOD, THOMAS H.	Regina	Regina, Sask.
WOODROW, ALLAN L.	Toronto Centre	Toronto, Ont.

SENATORS OF CANADA

BY PROVINCES

August 10, 1960

ONTARIO—24

	SENATORS	DESIGNATION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	ARTHUR C. HARDY, P.C.	Leeds	Brockville.
2	CAIRINE R. WILSON	Rockcliffe	Ottawa.
3	NORMAN P. LAMBERT	Ottawa	Ottawa.
4	SALTER ADRIAN HAYDEN	Toronto	Toronto.
5	NORMAN MCLEOD PATERSON	Thunder Bay	Fort William.
6	WILLIAM DAUM EULER, P.C.	Waterloo	Kitchener.
7	WILLIAM RUPERT DAVIES	Kingston	Toronto.
8	GORDON PETER CAMPBELL	Toronto	Toronto.
9	WILLIAM HORACE TAYLOR	Norfolk	R.R. 3, Brantford.
10	CHARLES L. BISHOP	Ottawa	Ottawa.
11	ARTHUR WENTWORTH ROEBUCK	Toronto-Trinity	Toronto.
12	THOMAS FARQUHAR	Algoma	Little Current.
13	WILLIAM ALEXANDER FRASER	Trenton	Trenton.
14	WILLIAM HENRY GOLDING	Huron-Perth	Seaforth.
15	ALLAN L. WOODROW	Toronto Centre	Toronto.
16	WILLIAM ROSS MACDONALD, P.C.	Brantford	Brantford.
17	JOSEPH ARTHUR BRADETTE	Cochrane	Cochrane.
18	JOHN J. CONNOLLY	Ottawa West	Ottawa.
19	DAVID A. CROLL	Toronto-Spadina	Toronto.
20	THOMAS D'ARCY LEONARD	Toronto-Rosedale	Toronto.
21	GEORGE STANLEY WHITE	Hastings-Frontenac	Madoc.
22	JOSEPH A. SULLIVAN	North York	Toronto.
23	WILLIAM RALPH BRUNT	Hanover	Hanover.
24	LIONEL CHOQUETTE	Ottawa East	Ottawa.

QUEBEC—24

	SENATORS	ELECTORAL DIVISION	POST OFFICE ADDRESS
	THE HONOURABLE		
1	DONAT RAYMOND	De la Vallière	Montreal.
2	ADRIAN K. HUGESSEN	Inkerman	Montreal.
3	CHARLES BENJAMIN HOWARD	Wellington	Sherbrooke.
4	LÉON MERCIER GOUIN	De Salaberry	Montreal.
5	THOMAS VIEN, P.C.	De Lorimier	Outremont.
6	TÉLESPHORE DAMIEN BOUCHARD	The Laurentides	St. Hyacinthe.
7	CYRILLE VAILLANCOURT	Kennebec	Lévis.
8	VINCENT DUPUIS	Rigaud	Montreal.
9	JEAN-MARIE DESSUREAULT	Stadacona	Quebec.
10	PAUL HENRI BOUFFARD	Grandville	Quebec.
11	MARIANA BEAUCHAMP JODOIN	Sorel	Montreal.
12	LEONARD DAVID SWEEZEY TREMBLAY	Lauzon	St. Malachie.
13	SARTO FOURNIER	De Lanaudière	Montreal.
14	HARTLAND DE MONTARVILLE MOLSON	Alma	Montreal.
15	CHARLES GAVAN POWER, P.C.	Gulf	St. Pacôme.
16	JEAN-FRANÇOIS POULIOT	De la Durantaye	Rivière du Loup.
17	HENRI CHARLES BOIS	Montarville	St. Bruno, Chambly Co.
18	J. EUGÈNE LEFRANÇOIS	Repentigny	Montreal.
19	MARK ROBERT DROUIN (Speaker)	La Salle	Quebec.
20	LÉON MÉTHOT	Shawinigan	Trois-Rivières.
21	GUSTAVE MONETTE	Mille Isles	Montreal.
22	HENRI COURTEMANCHE, P.C.	Rougemont	Mont Laurier.
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NOVA SCOTIA—10

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 FELIX P. QUINN	Bedford-Halifax	Bedford.
2 WISHART MCLEA ROBERTSON, P.C.	Shelburne	Truro.
3 JOHN JAMES KINLEY	Queens-Lunenburg	Lunenburg.
4 JOHN ALEXANDER MCDONALD	Kings	Halifax.
5 JOSEPH WILLIE COMEAU	Clare	Comeauville.
6 GORDON B. ISNOR	Halifax-Dartmouth	Halifax.
7 DONALD SMITH	Queens-Shelburne	Liverpool.
8 HAROLD CONNOLLY	Halifax North	Halifax.
9 FREDERICK MURRAY BLOIS	Colchester-Hants	Truro.
10 JOHN MICHAEL MACDONALD	Cape Breton	North Sydney.

NEW BRUNSWICK—10

THE HONOURABLE		
1 CLARENCE JOSEPH VENIOT	Gloucester	Bathurst.
2 ALEXANDER NEIL MCLEAN	Southern New Brunswick	Saint John.
3 GEORGE PERCIVAL BURCHILL	Northumberland-Miramichi	South Nelson.
4 MURIEL MCQUEEN FERGUSSON	Fredericton	Fredericton.
5 AUREL D. LÉGER	Kent	Grande Digue.
6 FRED A. MCGRAND	Sunbury	Fredericton Junction.
7 CALIXTE F. SAVOIE	L'Acadie	Moncton.
8 AUSTIN CLAUDE TAYLOR	Westmorland	Salisbury.
9 CLARENCE V. EMERSON	Saint John-Albert	Saint John.
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PRINCE EDWARD ISLAND—4

THE HONOURABLE		
1 THOMAS VINCENT GRANT	Montague	Montague.
2 GEORGE H. BARBOUR	Prince	Charlottetown.
3 FLORENCE ELSIE INMAN	Murray Harbour	Montague.
4 JOHN JOSEPH MACDONALD	Queens	R.R. 9, Charlottetown.

BRITISH COLUMBIA—6

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

MANITOBA—6

THE HONOURABLE		
1 JOHN T. HAIG, P.C.	Winnipeg	Winnipeg.
2 ARTHUR L. BEAUBIEN	Provencher	St. Jean Baptiste.
3 THOMAS ALEXANDER CRERAR, P.C.	Churchill	Winnipeg.
4 WILLIAM M. WALL	Winnipeg	Winnipeg.
5 GUNNAR S. THORVALDSON	Winnipeg South	Winnipeg.
6 OLIVE LILLIAN IRVINE	Lisgar	Winnipeg.

SASKATCHEWAN—6

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

ALBERTA—6

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

NEWFOUNDLAND—6

SENATORS	DESIGNATION	POST OFFICE ADDRESS
THE HONOURABLE		
1 ALEXANDER BOYD BAIRD	St. John's	St. John's.
2 RAY PETTEN	Bonavista	St. John's.
3 CALVERT C. PRATT	St. John's West	St. John's.
4 MICHAEL G. BASHA	West Coast	Curling.
5 FREDERICK GORDON BRADLEY, P.C	Bonavista-Twillingate	Bonavista.
6 JOHN G. HIGGINS	St. John's East	St. John's.

THE SENATE

Officers and Chiefs of Principal Branches

Clerk of the Senate and Clerk of the Parliaments	John F. MacNeill, Q.C., B.A., LL.B.
Law Clerk and Parliamentary Counsel	E. Russell Hopkins, B.A., LL.B.
First Clerk Assistant	Alcide Paquette, B.A.
Gentleman Usher of the Black Rod	Major C. R. Lamoureux, D.S.O.
Assistant Gentleman Usher of the Black Rod	C. B. Larose
Chief Clerk of Committees	Harvey Armstrong
Chief Treasury Officer and Assistant to the Clerk of the Parliaments	H. D. Gilman
Editor of Debates and Chief of Reporting Branch	B. P. Lake
Chief of Minutes and Journals (English)	Miss Ishbel M. Hutton
Chief of Minutes and Journals (French)	Paul LaRocque
Postmaster	E. C. Watson
Supervisor of Stenographic Service	Miss P. M. Garrow
Chief of Stationery Branch	R. E. C. Lay
Chief of Joint Distribution Office	W. R. Gray
Chief of Protective Service	John C. Phimister
Manager of Parliamentary Restaurant	W. Pentecost

Parliamentary Reporters

(English) Graydon Hagen (Assistant Chief of Reporting Branch), T. S. Hubbard, Jr., F. C. K. Crockett, F. S. Lawrence, George R. Baker

(French) Victor Lemire, Aurèle Chenier

TRANSLATORS

Bureau for Translations

Department of Secretary of State

Chief of Debates Division ..... Henriot Mayer

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Associate Parliamentary Librarian ..... Guy Sylvestre, M.A.

CANADA

Debates of the Senate

OFFICIAL REPORT

Thursday, January 14, 1960

OPENING OF THIRD SESSION TWENTY-FOURTH PARLIAMENT

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

The Senate met at 11 a.m.

Prayers.

COMMUNICATION FROM GOVERNOR GENERAL'S SECRETARY

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

GOVERNMENT HOUSE
Ottawa

14th December, 1959

Sir,

I have the honour to inform you that Their Excellencies the Governor General and Madame Vanier will arrive at the main entrance of the Houses of Parliament at 3.00 p.m. on Thursday, the 14th January, 1960. When it has been signified that all is in readiness, Their Excellencies will proceed to the Senate Chamber, where His Excellency will formally open the Third Session of the Twenty-fourth Parliament of Canada.

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

The Honourable
The Speaker of the Senate,
Ottawa

On motion of Hon. Mr. Aseltine, seconded by Hon. Mr. Brunt, the Senate adjourned until 2.50 p.m.

SECOND SITTING

The Senate met at 2.50 p.m., the Speaker in the Chair.

Prayers.

The Senate adjourned during pleasure.

SPEECH FROM THE THRONE

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

Honourable Members of the Senate,

Members of the House of Commons,

I am happy to greet you as we meet for the first time at the opening of our Parliament.

My appointment as the representative of Her Majesty the Queen in Canada is an honour which moves me profoundly. I invoke Divine help to guide and strengthen me that I may serve well the Parliament and people of Canada in carrying out the trust confided to me by the Sovereign.

We will long cherish the memories of the presence of our gracious Queen and of His Royal Highness among us last summer. The warmth of the welcome given them throughout the country is an expression of the loyalty, devotion and affection of all Canadians. Our attachment to the Crown is a great unifying force. It will be my earnest endeavour to foster a spirit of harmony and confidence in all, irrespective of race or creed, in the achievement of our mighty destiny.

My Prime Minister looks forward to meeting with the leaders of the other commonwealth Governments early in May. The commonwealth is in a state of rapid constitutional development. During the course of the year Nigeria is to become an independent member following those constructive processes by which the commonwealth has set a lead in peaceful evolution of new nations from dependent territories.

We welcome the spirit which has made possible the progress of the past year in meetings between the leaders of great nations and we believe that with wisdom and patience the series of meetings arranged to commence in Paris in May can bring about the results which all desire. Canada will be prepared to assist wholeheartedly by consultation, particularly in the North Atlantic Treaty Organization, with those immediately involved in these efforts to achieve just diplomatic settlements.

A lasting peace between nations, founded upon understanding and tolerance, is the strongest aspiration of Canadians. The Government continues to regard as a primary goal the achievement of the greatest possible measure of controlled disarmament. Canada will devote every effort to discharging its responsibilities as a member of the ten nation disarmament committee. Some progress has already been made by those nations possessing nuclear weapons in preparing a treaty to discontinue the testing of such weapons and to establish a system of international control.

We are heartened by the unanimous approval given by the United Nations to the Canadian proposal to sample and analyse more widely and effectively the radioactive content of the atmosphere, soil and food. For this purpose necessary funds to enable Canada to take a leading part in this work will be requested.

It must be expected that the recent technological advances in the penetration of outer space will lead to further dramatic developments. Canada welcomes the opportunity to participate actively in the United Nations Committee intended to ensure that outer space is used only for peaceful purposes.

Economic and technical assistance to the less developed nations of the world continues to be needed both on humanitarian grounds and to provide the economic basis for peaceful and orderly progress in those nations. You will therefore be asked to continue programs of aid to other, less developed nations, particularly those in the commonwealth. You will also be asked to vote support for the program of scholarships and fellowships to be exchanged within the commonwealth adopted at the suggestion of Canada.

Substantial progress has now been made in finding a satisfactory basis for the development of the power of the Columbia River in co-operation with the United States and negotiations for this purpose have now been initiated with the Government of the United States. The results will be placed before Parliament for approval and for the authority to take the measures necessary to bring about the full use of this most valuable source of power. The Government of Canada remains ready to participate with British Columbia in the joint development of the potentials of this great river.

International trade is one of the chief bases of Canadian prosperity and must continue to be a major interest of this Parliament. The growing exports of various countries are presenting us with both increasing opportunities for trade and problems of competition. Developments of far-reaching importance to Canada's trade are now taking place in Europe and two of my ministers are in Paris today consulting on these subjects with representatives of other nations.

Canada's general economic position has greatly improved during 1959 and the prospects for 1960 are favourable. The recurrent problem of seasonal unemployment remains, however, but, apart from this, expansion in production and employment has been general across the nation.

My Government is pleased that its national development program has stimulated a large increase in northern exploration. Last year's discovery of oil and gas in the Yukon is being followed this year by a score of new exploratory wells over a wide area of northern Canada. Coupled with a revival of mining activity, this makes it evident that private enterprise is now active in the opening up of the north. New oil and gas regulations will emphasize opportunities for Canadians to participate in the ownership of these northern resources.

The securing to farmers of a fair share of the national income, through the maintenance of prices of farm products, has received constant attention and continues to be a matter of prime concern to my Government. Our farms have yielded surpluses which have necessitated a revision of existing measures to stabilize farm prices to ensure that their basic purpose is achieved without the wasteful accumulation of surplus stocks. The severe, unseasonal snow in the prairie provinces interrupted the harvest rendering necessary emergency legislation which will be considered at the earliest possible opportunity.

Legislation to provide for a Canadian Bill of Rights will be placed before you for your approval.

My ministers have had under consideration the enactment of a provision that would enable the establishment of a uniform retirement age of seventy-five for all judges appointed under the authority of the Parliament of Canada. Agreement has now been reached with all provincial Governments on this principle. You will accordingly be asked to approve a resolution leading to an appropriate amendment to the British North America Act, and you will then be asked to make consequential amendments to the Judges Act.

Bills will also be submitted for your approval to give added status and responsibility to the Territorial Councils of the Yukon and Northwest Territories and to improve the administration of justice in the territories.

Amendments to the Combines Investigation Act and the related provisions of the Criminal Code will be laid before you to clarify and improve this act and protect the interests of small business firms.

You will be requested to revise the Civil Service Act and a special committee of the House of Commons will be proposed for the consideration of the bill. Amendments to the Public Service Superannuation Act will also be placed before you.

An amendment will be proposed to the Federal-Provincial Tax-Sharing Arrangements Act to extend, for the two remaining fiscal years covered by that act, the increase in the share of the revenue from the personal income tax that is allocated to the provinces. You will also be asked to authorize, for any provinces which desire them, alternative arrangements in respect of university grants.

Legislation will be introduced to give Indians the franchise in federal elections. You will be invited to re-establish the Joint Committee on Indian Affairs.

You will be asked to authorize the establishment of a new department to be concerned with affairs relating to the forest of Canada and their most effective utilization and conservation, and to assume responsibility for other related resources.

You will be requested to extend for three years the operation of the Emergency Gold Mining Assistance Act.

An amendment will also be proposed to the National Energy Board Act authorizing the temporary extension of the licences for the export of electricity until the board can conclude its urgent business on export of gas.

A proposal will be placed before you to extend the period during which payments may be made in respect of construction of the Trans-Canada Highway. You will also be asked to continue the operation of the Export and Import Permits Act for another three years. The repeal of the Newfoundland Fisheries Board Act will be proposed.

Measures will be placed before you to amend the Old Age Security Act and the Veterans' Allowance Act to establish a basis for the payment of pensions and allowances, respectively, to Canadians residing outside Canada.

You will be asked to authorize the establishment of harbour commissions for the harbours of Nanaimo and Oshawa, and to amend the Windsor Harbour Commissioners Act.

You will also be requested to revise the Feeding Stuffs Act and to amend the National Housing Act, the Expropriation Act, the Department of Justice Act and certain other statutes.

Members of the House of Commons,

You will be asked to appropriate the funds required to carry out the services and payments authorized by Parliament. To assist you in this purpose, the Committee on Estimates will again be requested to review the expenditures of several departments.

You will be invited to re-establish the Special Committee on Broadcasting so that it may continue its consideration of broadcasting policy, particularly in the field of regulation and licensing.

Honourable Members of the Senate,

Members of the Commons,

May Divine Providence bless you and guide you in your duties.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

RAILWAYS BILL

FIRST READING

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

Bill read first time.

SPEECH FROM THE THRONE

CONSIDERATION

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

Hon. Senators: Dispense.

Hon. Mr. Brunt moved, seconded by Hon. Mr. Méthot:

That the Speech of His Excellency the Governor General be taken into consideration on Tuesday, January 19, 1960.

Motion agreed to.

COMMITTEE ON ORDERS AND CUSTOMS

APPOINTMENT

Hon. Mr. Brunt, with leave of the Senate, moved, seconded by Hon. Mr. Choquette:

That all the senators present during this session be appointed a committee to consider the Orders

and Customs of the Senate and Privileges of Parliament, and that the said committee have leave to meet in the Senate chamber when and as often as they please.

Motion agreed to.

COMMITTEE OF SELECTION

APPOINTMENT

Hon. Mr. Brunt, with leave of the Senate, moved, seconded by Hon. Mr. White:

That pursuant to Rule 77, the following senators, to wit: the Honourable Senators Aseltine, Barbour, Brunt, Dessureault, Macdonald, Monette, Taylor (Norfolk), Thorvaldson, White and Wilson be appointed a Committee of Selection to nominate senators to serve on the several Standing Committees during the present session; and to report with all convenient speed the names of the senators so nominated.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Brunt: With leave of the Senate, I move that when the Senate adjourns today it stand adjourned until Tuesday, January 19, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, January 19, at 8 p.m.

THE SENATE

Tuesday, January 19, 1960

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

NEW SENATORS

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

Frederick Murray Blois, Esquire,

Mrs. Olive Lillian Irvine, respectively, have been summoned to the Senate.

NEW SENATORS INTRODUCED

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

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

Hon. Frederick Murray Blois, of Truro, Nova Scotia, introduced between Hon. Mr. Aseltine and Hon. Mr. Emerson.

Hon. Olive Lillian Irvine, of Winnipeg, Manitoba, introduced between Hon. Mr. Aseltine and Hon. Mr. Haig.

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

LIBRARY OF PARLIAMENT

REPORT OF LIBRARIAN

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate the report of the Parliamentary Librarian to the Third Session of the Twenty-Fourth Parliament, 1960.

THE LATE SENATOR HOWDEN

TRIBUTES

Hon. W. M. Aseltine: Honourable senators, before we take up the regular business of the Senate this evening I have a very sad duty to perform. Since Parliament prorogued on July 18 last we have lost a most distinguished member of the Senate of Canada in the person of John Power Howden, M.D. Today we meet to pay tribute to his memory.

Senator Howden was born in Perth, Lanark County, Ontario, and had he lived he would have arrived at the full age of 80 years on December 5 last. Although I also lived in Perth in the early nineties I did not meet the honourable senator at that time, no doubt because he left there at a very early age for the province of Manitoba, where he was brought up, educated and remained domiciled until the time of his death. However, I knew Senator Howden very intimately during the many years that he was a member of the House of Commons—I believe twenty in number—and during the fourteen years he was a member of this chamber. He was a very valued member of our Divorce Committee. I believe that he became a member of that committee immediately after he was sworn in as a senator; and he worked faithfully and well right up to the last moment. He was a man of excellent judgment: I know that when I was a member of that committee, and quite active there, I relied at all times on his good judgment. Anything he had to do, whether on that or any other committee, he did faithfully and conscientiously.

Senator Howden was an outstanding medical practitioner, dearly beloved in the province of Manitoba, particularly in the district known as St. Boniface, which is across the Red River from Winnipeg. He was also an outstanding public-minded citizen, and for the past 35 years served his country, both in and out of Parliament, in a most capable manner.

We mourn his passing, and I take this opportunity of extending to his sons and other relatives our deepest sympathy. I am sure that they will have many happy memories of him to sustain them in the difficult days that lie ahead.

Hon. W. Ross Macdonald: Honourable senators, it was my privilege to know the late Senator Howden during the last 25 years. He was a member of the House of Commons when I was first elected to Parliament. He had then been in Parliament for ten years, and I shall never forget the warm welcome he gave me upon my arrival in the house. Eighteen years later, when I came to the Senate, he was here to give me an equally warm and friendly welcome. During the first few years that I was in the Senate he helped me in many ways and made my life here enjoyable, interesting and profitable.

Senator Howden, as the honourable leader (Hon. Mr. Aseltine) has said, was born in

Perth, a short distance from Ottawa. He received his education at the University of Manitoba, from which he graduated as a doctor. He practised his chosen profession in St. Boniface and vicinity, where, I am told, he had a host of patients whose needs were his first consideration. It was not unusual for him to drive for miles in the depth of winter to attend the sick or the injured. Day after day, night after night, in fair weather and in foul weather, in winter and summer, he ministered to the ailing in his community.

Busy as he was with his profession, he found time to take an interest in the community life of his district; and he was elected mayor of St. Boniface in 1916. Subsequently, in 1925, he was elected to the House of Commons; he was re-elected in 1926, in 1930, in 1935 and in 1940. In 1945 he was summoned to the Senate, where he continued to take an active interest in the business of Parliament, which I know from my experience he had never neglected in the House of Commons, notwithstanding his busy life in his own community. Those of you who sat in this house with him longer than I did know of the part he played here, of the part which he took in the debates in this house and also in committees. As the honourable leader has said, he continued to be a very faithful member of the Divorce Committee, where he had a reputation for patience, thoroughness and fairness.

To sum up, I would say that the late Senator Howden was not only a skilled physician and surgeon but also a parliamentarian who contributed much to the work of Parliament, and I would emphasize that at all times he was courteous, kindly, understanding and essentially friendly. For these qualities above all he will be remembered with esteem and affection.

Hon. Arthur L. Beaubien: Honourable senators, I would add just a word or two to what the Leader of the Government (Hon. Mr. Aseltine) and the Leader of the Opposition (Hon. Mr. Macdonald) have said concerning our colleague who has passed away.

I knew Senator Howden, or Dr. Howden as we commonly called him, for at least 40-odd years. He was a man who really worked in order to attain his standing in the profession of medicine. He worked as a telegraph operator for the Canadian Pacific Railway at a place called Rennie, not very far from Winnipeg; he also worked on a ranch in Alberta, all in order to earn money to put himself through university and to obtain his degree as a medical doctor.

Dr. Howden never refused a call, no matter how far away it was or who called him, nor did he consider whether the patient had any money or not. I am sure that if a record was kept it will be found that hundreds of patients were treated by Dr. Howden, and treated well—because he was a master in his profession—who probably never had a cent to pay him or at any rate did not pay him.

During the last few years of his life Dr. Howden suffered some misfortunes. His second wife died very suddenly, and he really never got over the passing away of his companion. His son who was in the air force as an instructor, and who had a very promising future before him in that branch of the armed services, was killed in an accident, somewhere in Prince Edward Island, I think. Our late colleague found these misfortunes hard to bear and I am sure they hastened his passing.

I saw him a few times in the hospital, and I was there the day before he died, but unfortunately he was in a coma and did not recognize anyone, not even members of his own family. I attended his funeral, and was an honorary pallbearer. I am sure there were in the church at that time hundreds of people whom the late Dr. Howden had brought into the world, and they all had a very affectionate regard for him.

I wish to join with the honourable Leader of the Government (Hon. Mr. Aseltine) and the honourable Leader of the Opposition (Hon. Mr. Macdonald) in extending to the family of the late senator, his two sons by a first marriage and his son by a second marriage, my deepest sympathy in their sad bereavement.

Hon. Arthur W. Roebuck: Honourable senators, I wish I could adequately express on behalf of myself and my colleagues who are members of the Divorce Committee the sadness that has passed over us as a result of the death of our colleague the late Dr. Howden. As has already been said, Senator Howden was a very faithful servant of the people, and contributed greatly to the work of the committee of which I had the honour to be chairman. Dr. Howden was a man of great kindness, broadmindedness and understanding, and great responsibility. He was always present when there was a job to be done. In later years we always reserved a seat for Dr. Howden to the right of the chairman of the committee. He was a valued member of that body. But entirely apart from his services, he was valued by us personally. We loved him dearly.

Dr. Howden was a member of the House of Commons when I entered it in 1940, and he was summoned to the Senate on April 18, 1945, about the same time as I came here. In November of that year he became a member of the Divorce Committee, and from that time until his death he was a faithful

attendant and a valued member. He will be sorely missed by us as long as we shall live.

Honourable senators, may I join with the others in this expression of condolence.

Hon. John T. Haig: Honourable senators, I have the honour of being a senator from the city adjacent to that of our late colleague. I knew Senator Howden almost from the time when he came to Manitoba. He was at the university at the same time as I was. His first wife was related to a brother-in-law of mine, and I knew him in that way. But I knew him particularly as a citizen of Manitoba.

I have often thought of Dr. Howden as exemplifying one of the great men portrayed in Ralph Connor's book *Black Rock*. A medical doctor of the character of Dr. Howden seems to enjoy a place in the community not enjoyed by persons in other classes. Dr. Howden was respected by the medical profession not only in St. Boniface, but in Winnipeg and indeed in all of Manitoba. He was well liked by the profession itself, which has always maintained a very high standard.

When I came to the Senate I was number 93 in seniority, and now I am number seven. During the intervening years I have seen many men and women come and go, and I realize what a great school this is for understanding human nature. Dr. Howden left a great impression on me, as I am sure he did on other members of this chamber. As a first-class doctor who loved his profession, he always wanted to help people to maintain good health; and whether patients had the money to pay him or not, he attended them anyway. I have talked to many of the medical men in Winnipeg, and they all agree that he was a great credit to his profession.

We have tonight tried to say what we can to give encouragement to the three sons of our late colleague. His eldest son, who succeeded him as a doctor, is a highly respected citizen of St. Boniface.

I have always been happy to have been acquainted with the late Dr. Howden, because I felt that I was a better man for having served with him. He had a quality of life which I always admired; a quality which perhaps I did not have, but I recognized it in him. I am sure we will long remember Dr. Howden as a great parliamentarian, because of his service on the council of the city of St. Boniface, in the House of Commons and in the Senate of Canada.

Hon. F. W. Gershaw: Honourable senators, Dr. Howden lived in the far west in the early pioneer days when skill and endurance were necessary to survive. Later he worked his way through the Manitoba Medical College, from which he graduated, paying his way as he went along. He chose to practice in the historic town of St. Boniface. There he had as patients relatives of the notorious Louis Riel, who had colour and magnetism and was so outstanding among his fellows of mixed blood. He treated this man's mother, who talked constantly of her brave son.

Near where Dr. Howden lived stands the great cathedral of St. Boniface. The Red River of the north runs by it, and many of the people live close to the water's edge, while their river lots run back through bush and prairie for two or three miles. In that atmosphere Dr. Howden served for nearly half a century; there his sons were born and educated, and there, as has been said, he had many sad experiences by the death of close relatives. The people of that district seemed to have some strange qualities, and Dr. Howden exemplified some of them. They worked hard; they were exposed to the cold north winds and to the heat of the summer, but when the shades of night were falling they always listened for the vesper ringing the bells of St. Boniface. As the poet Whittier said:

The bells of the Roman Mission
That call from their turrets twain,
To the boatman on the river,
To the hunter on the plain!

The concluding stanzas of the poem seem to reflect the philosophy of our departed friend:

Even so in our mortal journey
The bitter north-winds blow,
And thus upon life's Red River
Our hearts, as oarsmen, row.

And when the Angel of Shadow
Rests his feet on wave and shore,
And our eyes grow dim with watching
And our hearts faint at the oar,

Happy is he who heareth
The signal of his release
In the bells of the Holy City,
The chimes of eternal peace!

Hon. John J. Kinley: Honourable senators, I wish to pay personal tribute to the memory of the late Honourable Senator Dr. John Howden. He and I served together in the Commons for a period, and we came to the Senate on the same day. We were sworn in on the same day, and we were seatmates for a couple of years until his hearing made it necessary for him to get a seat nearer the Chair.

He entered the House of Commons, as we were told, in 1925. A remarkable thing about the late Dr. Howden was that he was always successful in being elected to the House of Commons. This fact showed that he was truly esteemed by the people he represented, and those who knew him best. In the House of Commons he had a fine record of service

and achievement, and here in this chamber, as we all know, he gave distinguished service.

Dr. Howden was a positive man. He could make up his mind quickly and firmly, and that intellectual strength carried through to the end of his service.

Those of us who are members of the Standing Committee on Divorce and who served with him over the years on that committee knew of his ability to delve into the human problems, the important human problems, with which that committee is concerned from time to time.

Job, in his admonition to his friends, said:

With the ancient is wisdom; and in length of days understanding.

I am sure that Dr. Howden had to a high degree that sympathetic understanding, and he was richly endowed with the cardinal virtue of charity, the greatest gift of all.

At 80 years of age he has finished his course and we all regret his passing. I add my tribute, and offer my sympathy to his family and his friends in their loss and bereavement.

Hon. Jean-François Pouliot: Honourable senators, the late Honourable Senator Howden fully deserved the moving tributes that have been paid to him by both sides of the house. I sat with him for twenty years in the House of Commons, and for five years in the Senate, and my recollection of him is that from the first time he was sworn in as a member of Parliament in the other house he gave the impression of possessing all the kindness, the wisdom and the spirit of tolerance which is yours, honourable colleagues. In other words, as soon as he was a member of Parliament he behaved as if he was a senator. Very often did I have delightful and most instructive conversations with him at the table in the restaurant. That was the best time at which to speak to him about his experiences in politics, and always he had a kind word for those of whom he spoke.

The late Honourable Senator Howden will be greatly missed because he had so many friends, and had been helpful to so many people. I join with all those who have spoken in conveying my heartfelt sympathy to the members of his family.

(Translation):

Mr. Speaker, my dear colleagues, you all know that the Province of Quebec has, these last few months, suffered two tragic losses.

I would like to continue in French, but I believe that it is appropriate to tell my English-speaking colleagues what were the feelings of the Canadians who were present at the funerals of the lamented Mr. Duplessis and the lamented Mr. Sauvé.

Since the impressive funeral of Sir Wilfrid Laurier, a crowd as large, as moved and as sad has very rarely been seen.

(Text):

I followed the funeral cortège that accompanied the body of the late Mr. Duplessis from that landmark of Quebec City, the Parliament Buildings, to the Basilica. It was quite a long distance, and there was a considerable number of people along both sides of the street. Often many people seem to be indifferent with respect to funerals, but on this occasion everyone gave the impression of being sorrowful, and the reason is obvious. Everyone must bow to death. Sometimes there is controversy during the lifetime of a public man, but after he is gone all criticism is a thing of the past, for the people realize that he was inspired by principles which deserve the respect of all. Mr. Duplessis was endowed with certain principles which he found necessary to hold for the survival of the province of Quebec. One of the reasons why I speak in English at the present time is to tell of my appreciation of the expressions of views of my honourable colleagues, made in this chamber, which views were similar to his as to the jurisdiction of the provinces in matters that effect the Parliament of Canada and the various provincial legislatures. It is not forgotten that Mr. Duplessis was Prime Minister of the province of Quebec for a longer period than was any of his distinguished predecessors. He was not afraid to say, on constitutional matters, that his principles were those of Sir Wilfrid Laurier, Honoré Mercier, Sir Oliver Mowat, Sir Lomer Gouin and Alexander Taschereau. The future will show that he was right. There can be no greater tribute to any statesman.

Mr. Duplessis had as his successor one of his colleagues who was relatively young and on whom great hopes were founded. A fine man, he had been an officer who had a most distinguished military career, and the province of Quebec and the whole of Canada were stunned to learn of his untimely demise. Honourable senators, the life of any public man is very hard, and those of my honourable colleagues who have represented a constituency in the House of Commons or in any legislature know it. Sometimes it is difficult to belong to oneself and it is not surprising that at times the work is much more than a man can stand physically. Those two honourable gentlemen were great men and patriots. They were animated by public spirit and by love of their fellow citizens. As the Prime Minister of a province is the first citizen of his province, those two gentlemen deserve tribute in this chamber.

The Hon. the Speaker: Honourable senators, as a final tribute to the memory of the Honourable Dr. Howden I would now ask honourable senators to rise in their places and stand in silence.

Honourable senators stood in silence.

CANADA-NETHERLANDS INCOME TAX AGREEMENT BILL

FIRST READING

Hon. W. M. Aseltine: Honourable senators, this evening I have four Government bills to present to the Senate for first reading. The first is Bill S-2, to amend the Canada-Netherlands Income Tax Agreement Act, 1957. The purpose of this bill is to implement the Supplementary Convention entered into between Canada and the Netherlands modifying the Convention between Canada and the Kingdom of the Netherlands for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, signed at Ottawa on April 2, 1957.

Bill read first time.

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

Hon. Mr. Aseltine: Thursday next.

NEWFOUNDLAND FISHERIES LAWS REPEAL BILL

FIRST READING

Hon. Mr. Aseltine presented Bill S-3, to repeal certain fisheries laws of Newfoundland.

He said: Honourable senators, this bill has to do with Term 22 of the Terms of Union. Now that the Statutes of Canada in regard to fisheries are in force in Newfoundland this Term 22 is no longer necessary.

Bill read first time.

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

Hon. Mr. Aseltine: Thursday next.

WINDSOR HARBOUR COMMISSIONERS BILL

FIRST READING

Hon. Mr. Aseltine presented Bill S-4, to amend the Windsor Harbour Commissioners Act.

He said: Honourable senators, the purpose of this bill is merely to extend the boundaries of the harbour of Windsor.

Hon. Mr. Farris: What about the Bill of Rights? Are you going to bring that in?

Bill read first time.

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

Hon. Mr. Aseltine: Thursday next.

OSHAWA HARBOUR COMMISSIONERS BILL

FIRST READING

Hon. Mr. Aseltine presented Bill S-5, to incorporate the Oshawa Harbour Commissioners.

He said: Honourable senators, the purpose of this bill is to establish a corporation to manage and develop a harbour at the city of Oshawa in the province of Ontario.

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

Hon. Mr. Aseltine: Thursday next.

DOCUMENTS TABLED

Hon. Mr. Aseltine: Honourable senators, I beg to lay on the table some 27 or 28 reports, and I hope that on this occasion I may be excused from reading their titles. A full list of them will appear in tomorrow's *Minutes of Proceedings* and they will be available for all honourable senators to examine.

Hon. Mr. Croll: Reports of what?

Hon. Mr. Lambert: What are they?

Hon. Mr. Roebuck: Who makes the reports?

Hon. Mr. Aseltine: Do honourable senators wish me to read them? There are 27 or 28 reports in all. The first is the *Canada Gazette*, containing statutory orders and regulations, the second is a report of the Royal Commission on Price Spreads of Food Products, the third is the Fifteenth Annual Report on the administration of the Farmers' Creditors Arrangement Act, the fourth—

Some Hon. Senators: Dispense.

DIVORCE

REPORT OF COMMITTEE OF SELECTION ADOPTED

Hon. George S. White presented the first report of the Committee of Selection.

Report read by the Clerk Assistant:

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

Your committee have the honour to submit herewith the list of senators selected by them to serve on the Standing Committee on Divorce, namely:

The Honourable Senators *Aseltine, Baird, Barbour, Bradley, Burchill, Cameron, Croll, Emerson, Euler, Farquhar, Farris, Fergusson, Gershaw, Golding, Haig, Hnatyshyn, Hodges, Horner, Howard, Isnor, Kinley, *Macdonald, Roebuck, Smith (Queens-Shelburne), Taylor (Westmorland) and Thorvaldson. (24)

**Ex officio* members.

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

Hon. Mr. White: With leave I move that the report be adopted now.

Hon. Arthur W. Roebuck: Honourable senators, as chairman of the committee of last session, and one of those nominated for membership this session, may I offer the house some information which perhaps will be of interest at this time?

Divorce petitions filed as of January 19, 1960, number 375. That is one of the largest budgets we have ever had at this stage of the session.

Hon. Mr. Farris: How many petitions were there last year?

Hon. Mr. Roebuck: I will give that figure in a moment. The number of divorce petitions that are ready for hearing is 200: these will be proceeded with immediately. Divorce petitions opposed are 25: if my memory is right, we had 20 last year.

It may be of interest to note that as of the opening day of last session 233 petitions were filed, whereas at the opening date of the present session 366 petitions had been filed. That is an increase of approximately 57 per cent. There were 449 petitions for divorce presented last session, and were we to accept as a criterion the 57 per cent increase I have just mentioned, it can be assumed that this session the committee will be confronted with approximately 705 cases. I do not anticipate that many, but it seems to me that we shall probably have the largest docket in the committee's history.

The time for filing petitions for divorce will expire on Wednesday, February 24, 1960.

It is expected that the Divorce Committee will meet on Monday next, and will continue to sit Mondays to Fridays inclusive in the three weeks following. After that it will meet on Mondays, Tuesdays and Fridays. Contested cases will be tried on Tuesdays, and if a case outlasts the day we shall hear it on days other than Tuesdays. So it will be seen that a large amount of work is prepared and ready for this committee. That is why I would join with the sponsor of this motion in asking that it be put through tonight.

The gentlemen who have been nominated are, without any change, those who sat on the committee last session. No one has been left off except our dear friend Dr. Howden, who is no longer with us. There are no new nominations. I hope, however, that we shall have some additions to the committee. I believe that another motion in this connection is to be made this evening; others will follow, and I trust that some further working capital, if I may so call it, will be added to the committee, for there have been times when we were shorthanded. We have, however, never turned down a case for lack of honourable senators to try it, nor do I believe that we shall have to do so this session.

I ask honourable senators to pass this motion tonight so that we may reconstitute the committee tomorrow and be ready for the cases on Monday.

Hon. Mr. Farris: Can my honourable friend tell me the reason for the increased number of applications?

Hon. Mr. Roebuck: I have not heard the evidence yet. Probably I shall be able to supply that information at the close of the session.

Hon. Mr. Euler: Might the great increase in numbers be due to inflation?

Hon. Mr. Roebuck: Nobody, as far as I know, is "inflated" yet!

Hon. Jean-François Pouliot: Honourable senators, I appreciate the painstaking work that is being done by our honourable colleagues who are members of the divorce committee. They sit on this committee as a matter of duty, and for that they cannot be praised too highly. But in my opinion honourable members of the Senate should have the opportunity to make a much more profitable use of their talents. Recognizing the knowledge of constitutional law which each one of our senators has, I think they must realize that there is a way to deliver the Senate from the Divorce Committee. It is very simple: I wonder if honourable senators have thought of it. Not one has spoken about it.

Section 91 of the British North America Act, 1867, states that divorce and marriage are exclusively—exclusively mark you—under the jurisdiction of the Parliament of Canada. If, on the other hand we look at section 92 of the same act, we see an exception—that the provinces have exclusive jurisdiction over the solemnization or celebration of marriage. And if we proceed further in the reading of section 92 it will be seen that jurisdiction over civil rights belongs to the provinces. I must humbly admit I cannot understand that provision in our Constitution. If the Government of Canada were to ask the Government of the United Kingdom to amend the Constitution so as to transfer jurisdiction—exclusive jurisdiction—of the Parliament of Canada over marriage and divorce to the provinces, then the provinces would have authority to establish divorce courts that would be not *ultra vires*.

Honourable senators, I submit this to you not in a formal way, but as food for thought. If honourable members of the Divorce Committee like to sit on that committee, well and good, but if—and I say this without any offence—they desire to serve the state better by giving more time to the study of legislation that is put before us, then they have only one thing to do, and that is to insist that the Government of Canada take the steps necessary to have the Constitution amended so that jurisdiction over marriage and divorce will be transferred to the provinces to rank among the other civil rights. And who will say that marriage and divorce do not come under the heading of civil rights? They are civil rights; they are part of family rights and are so called in all civilized nations. I say that it was unfair at the time of the drawing up of the Constitution to give jurisdiction over marriage and divorce to the Parliament of Canada.

My contention is that a change should be made in the Constitution. I would point out that the Prime Minister said very recently that he intended to take steps to change the Constitution so that any amendments to it can be made by Parliament with the consent of the provinces. That is a matter of the foremost importance. With that change, if the provinces desire to establish divorce courts they will be in a position to do so, and everything will then be regular and *intra vires*.

Therefore, honourable colleagues, I hope that you will consider this matter in due course. I do not expect that a decision will be taken at once. It is a matter for discussion.

I am proud of being a member of the Senate, and I am proud to have you as my colleagues; I do want you to give your best possible effort for the good of our country. You will be able to do it with more ease, with more facility, and with more joy if jurisdiction over marriage and divorce is transferred to the jurisdiction of the provincial legislatures, where it should have been in the first place.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt this report?

Hon. Mr. Pouliot: On division.

Reported adopted, on division.

APPOINTMENT OF COMMITTEE

Hon. W. M. Aseltine, with leave of the Senate, moved:

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

Motion agreed to.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION

Hon. Mr. White presented the second report of the Committee of Selection.

The Clerk Assistant (reading):

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

Hon. Senators: Dispense.

For text of report see Appendix "A" to today's Hansard, *pp. 13-14.*

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

Hon. Mr. White: Next sitting.

THE GOVERNOR GENERAL

ADDRESSES AT INSTALLATION PRINTED IN SENATE RECORDS

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate, I move, seconded by Honourable W. Ross Macdonald, Leader of the Opposition, as follows:

That the address of the Prime Minister, the Right Honourable John G. Diefenbaker, P.C., Q.C., at the Installation of Major-General Georges Philias Vanier, D.S.O., M.C., C.D., as Governor General of Canada on September 15, 1959, together with the reply of His Excellency the Governor General thereto, be printed as an appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings* of the Senate, and form part of the permanent records of this house.

Hon. W. Ross Macdonald: Honourable senators, I am pleased to second this motion.

It had been the custom over the years to have the addresses delivered on similar occasions appear in the proceedings of both houses. When the Right Honourable Vincent Massey was inducted as Governor General, for some reason or other the addresses delivered at that time were not included in the proceedings of either house. I have not been able to go through all the record, but I do find that the addresses given when Lord Alexander was inducted appeared subsequently as part of the proceedings of both houses. I think it is a very good custom.

This year it was my privilege and that of a number of honourable senators to be present on the very impressive occasion when General Vanier was sworn in as Governor General. On that occasion two very fine addresses were delivered. To those

honourable senators who were not here I recommend these addresses as very worth while reading.

I have great pleasure in seconding the motion by the honourable Leader of the Government.

Motion agreed to.

For addresses see Appendix "B" to today's Hansard, *pp. 15-17.*

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES

Hon. W. M. Aseltine: Honourable senators, I give notice that on Thursday next, January 21, 1960, I will move that a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges. 30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this secton, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the Britsh North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. Mr. Farris: Honourable senators, may I ask the honourable leader a question? As I followed the motion he read, it is proposed to make the amendment retroactive. Am I right in that understanding?

Hon. Mr. Aseltine: I am not prepared to debate it now.

Hon. Mr. Farris: I just asked a question.

Hon. Mr. Aseltine: The notice was handed to me just a moment ago and I have not had time to consider it.

DIVORCE

ADDITION TO COMMITTEE MEMBERS

Hon. George S. White, with leave of the Senate, moved:

That the name of the Honourable Senator Lambert be added to the list of senators serving on the Standing Committee on Divorce.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

REPORT OF COMMITTEE OF SELECTION

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

Your committee have the honour to submit herewith the list of senators selected by them to serve on each of the following Standing Committees, namely:

JOINT COMMITTEE ON THE LIBRARY

The Honourable Senators Aseltine, Cameron, Fergusson, Fournier, Gladstone, Gouin, Irvine, Lambert, MacDonald, McDonald, Pouliot, Reid, Vien, Wall and Wilson. (15)

JOINT COMMITTEE ON PRINTING

The Honourable Senators Barbour, Blais, Bouffard, Bradette, Bradley, Choquette, Comeau, Davies, Euler, Isnor, McGrand, Pearson, Reid, Savoie, Smith (Kamloops), Stambaugh, Thorvaldson, Turgeon and Wood. (19)

JOINT COMMITTEE ON THE RESTAURANT

The Honourable the Speaker, the Honourable Senators Beaubien, Fergusson, Hodges, McLean, Reid and White. (7)

STANDING ORDERS

The Honourable Senators *Aseltine, Beaubien, Bishop, Blois, Haig, Hayden, Horner, Inman, Kinley, Leger, *Macdonald, McLean, Méthot, Pratt, Tremblay and Wood. (14)

**Ex officio* members.

BANKING AND COMMERCE

The Honourable Senators *Aseltine, Baird, Beaubien, Bois, Bouffard, Brunt, Burchill, Campbell, Connolly (Ottawa West), Crerar, Croll, Davies, Dessureault, Emerson, Euler, Farquhar, Farris, Gershaw, Golding, Gouin, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Isnor, Kinley, Lambert, Leonard, *Macdonald, McDonald, McKeen, McLean, Monette, Paterson, Pouliot, Power, Pratt, Quinn, Reid, Robertson, Roebuck, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien, Wall, White, Wilson and Woodrow. (50).

**Ex officio* members.

TRANSPORT AND COMMUNICATIONS

The Honourable Senators *Aseltine, Baird, Beaubien, Bishop, Blois, Bouffard, Bradley, Brunt, Buchanan, Campbell, Connolly (Halifax North), Connolly (Ottawa West), Dessureault, Emerson, Euler, Farris, Gershaw, Gladstone, Gouin, Grant, Haig, Hardy, Hayden, Horner, Hugessen, Isnor, Jodoin, Kinley, Lambert, Lefrançois, *Macdonald, McGrand, McKeen, McLean, Méthot, Molson, Monette, Paterson, Pearson, Power, Quinn, Raymond, Reid, Robertson, Roebuck, Smith (Queens-Shelburne), Stambaugh, Veniot, Vien, Wood and Woodrow. (49)

**Ex officio* members.

MISCELLANEOUS PRIVATE BILLS

The Honourable Senators *Aseltine, Baird, Beaubien, Bois, Boucher, Bouffard, Bradette, Brunt, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Dupuis, Euler, Farris, Fergusson, Haig, Hayden, Hnatyshyn, Horner, Howard, Hugessen, Inman, Lambert, Leger, *Macdonald, McDonald, Monette, Quinn, Reid, Roebuck, Stambaugh, Sullivan, Taylor (Norfolk), Taylor (Westmorland), Thorvaldson and Tremblay. (34)

**Ex officio* members.

INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

The Honourable Senators *Aseltine, Basha, Beaubien, Bouffard, Brunt, Campbell, Connolly (Ottawa West), Dessureault, Drouin (Speaker), Gouin, Haig, Hayden, Hodges, Horner, Howard, Isnor, *Macdonald, McDonald, McLean, Paterson, Petten, Quinn, Robertson, Turgeon, Vaillancourt, Vien and Wilson. (25)

**Ex officio* members.

EXTERNAL RELATIONS

The Honourable Senators *Aseltine, Beaubien, Boucher, Bradette, Bradley, Crerar, Croll, Farquhar, Farris, Fergusson, Fournier, Gouin, Haig, Hardy, Hayden, Horner, Howard, Hugessen, Jodoin, Lambert, Lefrancois, MacDonald, *Macdonald, McLean, Monette, Robertson, Savoie, Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Veniot, Vien, Wall, White and Wilson. (34)

**Ex officio* members.

FINANCE

The Honourable Senators *Aseltine, Baird, Barbour, Beaubien, Bouffard, Brunt, Buchanan, Burchill, Campbell, Choquette, Connolly (Halifax North), Connolly (Ottawa West), Crerar, Croll, Dupuis, Emerson, Euler, Farris, Fraser, Gershaw, Golding, Haig, Hayden, Higgins, Horner, Isnor, Lambert, Leonard, *Macdonald, McKeen, Molson, Paterson, Pearson, Petten, Power, Pratt, Quinn, Reid, Robertson, Roebuck, Savoie, Smith (Queens-Shelburne), Stambaugh,

Taylor (Norfolk), Thorvaldson, Turgeon, Vaillancourt, Vien, Wall, White and Woodrow. (49)

**Ex officio* members.

TOURIST TRAFFIC

The Honourable Senators *Aseltine, Baird, Basha, Beaubien, Bishop, Bois, Bouffard, Cameron, Connolly (Halifax North), Crerar, Croll, Davies, Dupuis, Emerson, Fergusson, Fraser, Gershaw, Horner, Inman, Isnor, Jodoin, *Macdonald, Methot, McLean, Roebuck, Smith (Kamloops) and Tremblay. (25)

**Ex officio* members.

DEBATES AND REPORTING

The Honourable Senators *Aseltine, Bishop, Davies, Grant, Irvine, *Macdonald, McGrand, Monette, Savoie and Tremblay. (8)

**Ex officio* members.

NATURAL RESOURCES

The Honourable Senators *Aseltine, Barbour, Basha, Beaubien, Bois, Bouffard, Buchanan, Burchill, Cameron, Comeau, Crerar, Davies, Dessureault, Dupuis, Emerson, Farquhar, Fraser, Gladstone, Haig, Hayden, Higgins, Horner, Kinley, *Macdonald, McDonald, McKeen, McLean, Methot, Paterson, Pearson, Petten, Power, Raymond, Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Vien and Wood. (38)

**Ex officio* members.

IMMIGRATION AND LABOUR

The Honourable Senators *Aseltine, Beaubien, Blais, Bouchard, Boucher, Burchill, Campbell, Crerar, Croll, Dupuis, Euler, Farquhar, Fournier, Gershaw, Haig, Hardy, Hnatyshyn, Hodges, Horner, Hugessen, Lefrancois, *Macdonald, Monette, Pearson, Reid, Roebuck, Taylor (Norfolk), Turgeon, Vaillancourt, Veniot, Wall, White, Wilson and Wood. (32)

**Ex officio* members.

CANADIAN TRADE RELATIONS

The Honourable Senators *Aseltine, Baird, Bishop, Blais, Brunt, Burchill, Campbell, Crerar, Davies, Dessureault, Emerson, Euler, Fergusson, Fraser, Gouin, Haig, Higgins, Howard, Kinley, Lambert, Leonard, MacDonald, *Macdonald, McKeen, McLean, Methot, Molson, Paterson, Petten, Pouliot, Pratt, Robertson, Smith (Kamloops), Turgeon and Vaillancourt. (33)

**Ex officio* members.

PUBLIC HEALTH AND WELFARE

The Honourable Senators *Aseltine, Blais, Burchill, Choquette, Comeau, Connolly (Halifax North), Dupuis, Emerson, Farris, Fergusson, Gershaw, Gladstone, Golding, Gouin, Grant, Inman, Irvine, Jodoin, Kinley, MacDonald, *Macdonald, McGrand, Monette, Pratt, Roebuck, Smith (Queens-Shelburne), Stambaugh, Sullivan, Thorvaldson, Veniot, Wall, Wilson and Woodrow. (31)

**Ex officio* members.

CIVIL SERVICE ADMINISTRATION

The Honourable Senators *Aseltine, Bishop, Blois, Bouchard, Brunt, Cameron, Choquette, Connolly (Ottawa West), Davies, Dessureault, Dupuis, Gouin, Haig, Kinley, Lambert, Leger, *Macdonald, Quinn, Roebuck, Taylor (Norfolk), Turgeon and Wilson. (20)

**Ex officio* members.

PUBLIC BUILDINGS AND GROUNDS

The Honourable Senators *Aseltine, Barbour, Choquette, Connolly (Ottawa West), Dessureault, Haig, Horner, Lambert, *Macdonald, McGrand, Paterson, Pouliot, Quinn and Wilson. (12)

**Ex officio* members.

All which is respectfully submitted.

GEORGE S. WHITE,
Chairman

APPENDIX "B"

(*See pp. 11-12*)

ADDRESS BY THE PRIME MINISTER, THE RIGHT HONOURABLE JOHN G. DIEFENBAKER, P.C., Q.C., AT THE INSTALLATION OF MAJOR-GENERAL GEORGES PHILIAS VANIER, D.C.O., M.C., C.D., AS GOVERNOR GENERAL OF CANADA, THE SENATE CHAMBER, TUESDAY, SEPTEMBER 15, 1959.

Your Excellency:

It is my privilege as Prime Minister to extend to you with pleasure and pride, on behalf of the government and people of Canada, best wishes as you assume office as Her Majesty's representative in Canada, the nineteenth governor general since confederation.

May I suggest to you, sir, that your first act be to express to Her Majesty, the Queen of Canada, the heartfelt fidelity, devotion and loyalty of the Canadian people, the evidence of which was so apparent during the recent visit of Her Majesty and Prince Philip to Canada.

Votre Excellence,

Ce m'est un privilège agréable et une source de fierté comme premier ministre de vous exprimer au nom du gouvernement et du peuple canadien des vœux sincères au moment même où vous assumez les responsabilités de représentant de Sa Majesté au Canada pour devenir le dix-neuvième Gouverneur général depuis la Confédération.

Comme votre premier geste, puis-je vous demander de transmettre à Sa Majesté la Reine du Canada l'assurance des plus fidèles et loyaux sentiments et du dévouement de la population canadienne, sentiments qui se sont d'ailleurs manifestés de façon si évidente lors de la visite mémorable de la Reine et du prince Philippe il y a à peine quelques semaines.

Les cérémonies d'aujourd'hui marquent un nouveau jalon et un nouveau progrès vers l'unité. Ces cérémonies soulignent l'unité essentielle, sans considération de race ou de croyance, non seulement les races qui ont fondé notre pays, mais de tous les Canadiens quelle que soit leur origine ou leur croyance religieuse.

This ceremony today marks another milestone in Canadian history and emphasizes the essential unity, without regard to race or creed, not only of the founding races, but also of the many other peoples who have come to our country.

I would like to say a word, too, about your gracious wife, Madame Vanier, whose devotion has meant so much, and whose grace is known to all of us.

As we meet here today, a meeting is taking place in Washington, D.C., the outcome of which causes mankind to build its hopes for new understanding, leading to the attainment of world peace with justice. Canadians have a message for mankind. We have been able to achieve national peace and well-being in Canada without regard to race because of our adherence to the traditions and the tried institutions of freedom, and the spiritual things without which nations no less than individuals cannot achieve greatness.

As we meet today and as one looks back in the retrospect of two centuries, one sees something of the great statesmanship and the wisdom of Great Britain. By the Quebec Act of 1775 she granted religious freedom to Canada—incidentally Your Excellency, the first time this was achieved among the countries now joined in the present commonwealth of nations—and as a result of that act she mobilized the hearts and devotion of French Canadians to the Crown and thereby contributed in such large measure to the maintenance and preservation of the Crown and provided for your opportunity to serve as her representative.

I think today of the tremendous developments that have taken place in our institutions, from Governor de Vaudreuil to you, sir. Our system of government, developed to meet the changing needs of a new country were graphically described by Sir Robert Borden when accepting the Speaker's chair from Westminster in 1921, epitomizing by his words the contribution of the French and the English to the building of our country. Sir Robert said:

> The parliamentary institutions which we hold as of right and not of grace were won by a common ancestry and through gradual evolution and development during the past five or six centuries. The man who summoned the first gathering that might be regarded as the forerunner of the commons house of parliament... was a Frenchman, born in France. Thus we can look back with satisfaction upon the fact that Saxon and Norman five or six hundred years ago stood side by side in the assertion of liberties that are ours today.

Out of the co-operation of the two founding races came responsible government and the development of the federal system. It also made possible the unity of different races and religions in varying geographical areas, not only in our own country but also as a basic foundation of the commonwealth of nations.

Your Excellency, we recognize your capacity to be Her Majesty's representative. You are fitted by years of eminence, by great talents, and by vast experience. In the field of diplomacy you have given long service to

Canada as representative to the League of Nations and to other international conferences, as a secretary to the High Commissioner in the United Kingdom, and as Ambassador to France.

But I think of another group across Canada today, the veterans, "the old soldiers" of more than two score years ago, to whom you have become, while living, a legendary figure as the gallant commanding officer of the famed Van Doos, the Royal 22nd Regiment, the lustre of whose achievements is undimmed in the passing years.

With such a record, marked by consecration to the service of the Crown and to Canada, I can apply to you what was spoken of another by Lord Tennyson when he said, "great in council; great in war."

Your Excellency, you have always answered the roll call of duty. You are doing it again. I know I speak for Canadians in every part of this country that in the discharge of the high responsibilities of being the personal representative of Her Majesty the Queen you will do so with that distinction, devotion, and loyalty that have characterized your life.

REPLY OF HIS EXCELLENCY THE GOVERNOR GENERAL TO THE ADDRESS OF THE PRIME MINISTER IN THE SENATE CHAMBER ON THE DAY OF HIS EXCELLENCY'S INSTALLATION AS GOVERNOR GENERAL OF CANADA, TUESDAY, SEPTEMBER 15, 1959.

Mr. Prime Minister,

My first words are a prayer. May Almighty God in His infinite wisdom and mercy bless the sacred mission which has been entrusted to me by Her Majesty the Queen and help me to fulfil it in all humility. In exchange for His strength, I offer Him my weakness. May He give peace to this beloved land of ours and to those who live in it, the grace of mutual understanding, respect and love.

I shall have the honour to convey to Her Majesty the message of devotion and loyalty to which you have given expression on behalf of the people of Canada. The recent visit of our sovereign to this country, with His Royal Highness the Duke of Edinburgh, has made of the word loyalty a synonym of affection. The Queen has established with Canadians a bond personal rather than formal. Aptly does Shakespeare evoke this feeling in Henry VI: "My crown is in my heart, not on my head". Is it surprising that such a crown should find its way into our hearts as well?

We are deeply grateful, my wife and I, for the generous terms and the charming way in which you have welcomed us.

I am happy to pay tribute to my predecessor, the first Canadian Governor General. He had to blaze a new trail and well has he done it. During seven and a half years, never sparing himself, he has laboured with fortitude and devotion in the service of his sovereign and his country. His place is very high in the list of those who have had the honour to represent the Crown in Canada. From the bottom of my heart I thank him for the assistance and advice he has given me. I have no illusions about being able to equal his achievement.

We are indeed fortunate in being attached to the Crown which holds for the world a promise of peace. It is well to recall that the Queen is the symbol of the free association of member nations of the commonwealth and as such is accepted as its head. The total area of the commonwealth is estimated to be about fourteen and a half million square miles and its population something in the neighbourhood of six hundred and fifty million.

Canada forms part of this mighty far-flung commonwealth, which is composed of many races and creeds. What a power is there for good in the world, what a power to right many wrongs, to solve many problems, in amity, without recourse to arms. Does not the very thought of the commonwealth's potential action conjure up a vision inspiring in scope and grandeur?

You have drawn attention, Mr. Prime Minister, to the significance of this day. How right you are. Two hundred years ago, a certain country won a battle on the plains of Abraham; another country lost a battle. In the annals of every nation, there is a record of victories and defeats. The present sovereign of the victorious country, sovereign also of Canada now, returns to the same battlefield, two centuries later, and presents colours to a French-speaking regiment, which mounts guard over the citadel of Quebec, a regiment of which Her Majesty is Colonel-in-Chief.

And how is the battle of 1759 commemorated? By a monument, erected in 1828, to the memory of both commanding generals, who died in action. It bears the inscription in Latin: "Valour gave them a common death, history a common fame, posterity a

common monument". Is there a better way to heal the wounds of war, to seal the bonds of peace?

The sixty thousand French Canadians of 1759 have become several millions. For two thousand years, more or less, the annals of history proclaim the fame and glory of Great Britain and France. The future of Canada is linked with this double fabulous heritage. Canadians of Anglo-Saxon and French descent, whose two cultures will always be a source of mutual enrichment, are an inspiring example of coexistence. They go forward hand in hand to make Canada a great nation, hand in hand also with Canadians of every origin, with their heritages, irrespective of race or creed. We are all God's children.

Each one of us, in his own way and place, however humble, must play his part towards the fulfillment of our national destiny. To realize how mighty this destiny will be let us lift our eyes beyond the horizon of our time. In our march forward in material happiness, let us not neglect the spiritual threads in the weaving of our lives. If Canada is to attain the greatness worthy of it, each one of us must say "I ask only to serve".

THE SENATE

Wednesday, January 20, 1960

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

Prayers.

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received a certificate from the Acting Secretary of State of Canada showing that the Honourable Henri Courtemanche, P.C., has been summoned to the Senate.

NEW SENATOR INTRODUCED

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

Hon. Henri Courtemanche, P.C., of Mont Laurier, Quebec, (Electoral division, Rougemont) was introduced between Hon. Mr. Aseltine and Hon. Mr. Méthot; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took the legally prescribed oath, which was administered by the Clerk, and was seated.

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

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Tariff Board, relative to the investigation ordered by the Minister of Finance, respecting Automatic Record Changers, being Reference No. 123 (part) (English and French texts) dated October 20, 1959, together with transcript of the proceedings (English text).

"Roads to Resources" Agreements entered into between the Government of Canada and the Government of the Provinces of Alberta, dated December 23, 1959; Manitoba, dated December 21, 1959; Ontario, dated December 22, 1959; Nova Scotia, dated December 14, 1959; New Brunswick, dated December 14, 1959; Prince Edward Island, dated December 15, 1959; Newfoundland, dated December 15, 1959. (English text).

Agreement between the Government of Canada and the Government of the Province of Saskatchewan regarding the construction of a traffic bridge over the North Saskatchewan River at the City of Prince Albert. (English text).

Report on the Administration of Allowances for Disabled Persons in Canada for the fiscal year ended March 31, 1959, pursuant to section 12 of the Disabled Persons Act, Chapter 55, Statutes of 1953-54 and amending Statutes. (English text).

Report on the Administration of Allowances for Blind Persons in Canada for the fiscal year ended March 31, 1959, pursuant to section 12 of the Blind Persons Act, Chapter 17, R.S. 1952 and amending Statutes. (English text).

Report of the Department of National Health and Welfare for the fiscal year ended March 31, 1959, pursuant to section 10 of the Department of National Health and Welfare Act, Chapter 74, R.S. 1952. (English and French texts).

Order in Council P.C. 1959-314 of March 19, 1959, authorizing the manner in which fishing bounty may be distributed for the fiscal year 1958-59, and statement setting out how the payments were made, pursuant to section 4 of the Deep Sea Fisheries Act, Chapter 61, R.S. 1952. (English text).

Report of the President and statement of accounts of the Industrial Development Bank for the fiscal year ended September 30, 1959, pursuant to section 29(4) of the Industrial Development Bank Act, Chapter 151, R.S. 1952. (English and French texts).

CRIMINAL CODE (CAPITAL PUNISHMENT) BILL

FIRST READING

Hon. David A. Croll presented Bill S-6, to amend the Criminal Code.

Hon. Mr. Macdonald: Explain.

Hon. Mr. Croll: Honourable senators, the purpose of this bill is to abolish capital punishment. This bill is identical with a bill which is now before the other house and which at two other sessions has been talked out there. I feel it is time that Parliament spoke out on this human problem. When the bill is called for second reading I intend to ask that it stand to await progress of the House of Commons bill. If that bill is passed I shall ask permission to withdraw my bill.

Bill read first time.

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

Hon. Mr. Croll: Wednesday, February 24.

DIVORCE

REPORT OF COMMITTEE

Hon. Arthur W. Roebuck presented the first report of the Standing Committee on Divorce.

Report read by the Clerk Assistant:

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

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

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

Hon. Mr. Roebuck: Tomorrow.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, may I ask the honourable Leader of the Government (Hon. Mr. Aseltine) if it is his intention to proceed tomorrow with the motion that stands in his name?

Hon. Mr. Aseltine: No, it is not my intention to proceed with that for some little time yet.

Hon. Mr. Macdonald: Do I understand the Leader of the Government to say that he does not intend to proceed with it for some little time?

Hon. Mr. Aseltine: Not this week, at any rate.

Hon. Mr. Macdonald: I hope the honourable leader will give the house ample notice when he does intend to proceed with it.

SPEECH FROM THE THRONE

ADDRESS IN REPLY

On the Order:

Consideration of His Excellency the Governor General's Speech from the Throne at the opening of the session.—Hon. Senator Brunt.

Hon. Mr. Aseltine: Honourable senators, I ask that this order stand until tomorrow, and at this time I have pleasure in informing the house that the mover and seconder of the Address will be the Honourable Senator Courtemanche and the Honourable Senator Blois, respectively.

STANDING COMMITTEES

REPORT OF COMMITTEE OF SELECTION ADOPTED

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

On motion of Hon. Mr. White, report adopted.

APPOINTMENT

Hon. Mr. Aseltine: Honourable senators, at this stage of the proceedings I would ask leave to revert to motions.

Hon. Senators: Agreed.

Hon. Mr. Aseltine, with leave of the Senate, moved:

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

Motion agreed to.

Hon. Mr. Aseltine: That motion having carried, I would like to inform the house that we are having a short sitting today on account of the fact that all honourable senators are asked to meet immediately after adjournment in the committee room to the right of the chamber for the purpose of choosing the chairmen of the various standing committees, so that they will be in a position to hold meetings when required. I believe a notice to that effect is being distributed to honourable senators.

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, may I have the permission of the house to revert to the order for petitions for the purpose of presenting a number of petitions for divorce? I have only 325 here, and if anyone finds that number too few I shall have some more to present in the very near future.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—SENATE MEMBERS

Hon. Mr. Aseltine, with leave of the Senate moved:

That a message be sent to the House of Commons by one of the Clerks at the Table, to inform that house that the Honourable Senators Aseltine, Cameron, Fergusson, Fournier, Gladstone, Gouin, Irvine, Lambert, MacDonald, McDonald, Pouliot, Reid, Vien, Wall and Wilson, have been appointed a commitee to assist the Honourable the Speaker in the direction of the Library of Parliament, so far as the interests of the Senate are concerned, and to act on behalf of the Senate as members of a Joint Committee of both houses on the said Library.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—SENATE MEMBERS

Hon. Mr. Aseltine, with leave of the Senate, moved:

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

Hon. Gordon B. Isnor: Honourable senators, before the motion is put may I inquire from the Leader of the Government whether this committee has met yet, and if so whether it has made any changes with respect to the

opening and closing hours of the restaurant? I have in mind particularly the closing of the restaurant all day Saturday.

Hon. Arthur W. Roebuck: Honourable Senators, I too would like to have that information. Present indications are that a retrograde step has been taken with regard to the restaurant hours. Honourable senators who do not remain in Ottawa over the weekends, as some of us are forced to do, perhaps do not realize how serious a matter it is to find, after having worked in the buildings on a Saturday morning, that the restaurant is closed against you. I think that honourable senators and members of the other house who stay in Ottawa over the weekends are entitled to service in the restaurant, and I trust that question will be given consideration by the committee.

Hon. Mr. Aseltine: Honourable senators, I will ask the honourable senator from Hastings-Frontenac (Hon. Mr. White), who is a member of the committee, to answer the question.

Hon. George S. White: Honourable senators, this matter was carefully considered at a meeting of the Restaurant Committee. I cannot say offhand how many senators were present, but there was a good turnout. The matter was thoroughly discussed, and the committee had before it a report covering the last three to five years showing the number of patrons of the restaurant for breakfast and for lunch. The average number present for breakfast on a Saturday did not exceed eight, and generally the number present for lunch was between 20 and 25 or 28. In many cases the number that turned up for breakfast or for lunch was fewer than the staff required to serve them. After very thorough consideration a motion was put and passed that the restaurant be closed on Saturdays.

Hon. Mr. Haig: It is not going to open on Saturdays?

Hon. Mr. White: No.

Hon. Mr. Beaubien: When was the motion passed?

Hon. Mr. White: The record will show whether my honourable friend from Provencher (Hon. Mr. Beaubien) was there or not.

Hon. Mr. Macdonald: I understand that the Senate members of this committee were only appointed today.

Hon. Mr. White: This is not something that has been done this session. The meeting was held last session and the motion was made then. It will be very easy to get the record and to see who was there.

Hon. John T. Haig: Honourable senators, the point is that this restriction affects senators who do not live in Ontario and Quebec. Senators from these two provinces, in the main, go home on Saturdays and Sundays.

Hon. Mr. Brunt: The change would affect some from Ontario who stay in Ottawa.

Hon. Mr. Haig: Most senators from Ontario and Quebec go home for Saturdays and Sundays, but senators from the rest of Canada have to stay in Ottawa. Those of us who come up to the Parliament Buildings to work on Saturdays would have to go home for lunch and then come back here.

I have been a senator for a good many years, and I was at one time a member of this committee, but I became tired of sitting on it and had to get off. However, I think it is only fair that the people who live in those distant provinces should have something to say about what is done with the restaurant. I missed the opening of this session, but no committees have been authorized by the Senate until today. Therefore, the Restaurant Committee had no power to act at this session. It could act nominally, but its decision would have no binding effect. Before deciding to close the dining room on Saturdays the committee should have consulted honourable senators who live in the Maritimes and in the Western provinces and have to remain here in Ottawa over the weekends. If you give us transportation by air whenever we want to go home, I will be very pleased. We get two trips by air now, and it is very pleasant. On Tuesday morning this week I had my breakfast at home, and on Tuesday evening I made a speech in the Senate. I like that kind of an arrangement. When I go by train I waste two days. If after the meeting of the Senate on Thursday night you are able to fly home in eight or ten hours and stay there for the weekend visiting your family and friends—and, incidentally, do a little work at the office—there is no cause for complaint. Of course, honourable senators from Ontario would not do business on a Saturday because they know it is a holiday in the Senate and they should not work. That would apply also to those from Quebec. But, the rest of us, if we were at home on a Saturday and a Monday, might do a little work, and we would be able to leave there on Tuesday morning and be back here for the meeting of the Senate on Tuesday evening. That would be very convenient. I will take the risk of saying on behalf of the other senators from Manitoba that we are willing to ride in an aeroplane in order to have Saturdays, Sundays and Mondays at home.

I think the committee did not do its duty towards the Senate. No doubt the majority of the committee were from the provinces of Ontario and Quebec. They did not realize

that we chaps who live in the more distant areas of Canada have to put up with many hardships. We have to be absent for many weeks from our families, our businesses and our homes. I am a businessman in Winnipeg, and I will say quite candidly that I miss my business very much. Somebody from Winnipeg may say: "Well, you can resign, Haig. I know of a lot of people to take your place." But, after being here for twenty-five years, I do not like the idea of resigning in a minute.

I suggest that this matter be reconsidered, and that another committee be appointed with a membership which will include representatives of the Prairie and Maritime provinces, and that the restaurant be kept open on Saturdays, at least, if not on Mondays. If that cannot be done, then we ask the Government of Canada to provide transportation by air for senators from the Maritime provinces and from Manitoba so that we may go home for the weekends.

Hon. Mr. Roebuck: Honourable senators, may I have your permission to correct one statement that has just been made, namely, that the senators from Ontario are not in the same position as those from the Maritime and western provinces? The committee of which I have the honour of being chairman will be sitting on Mondays and Fridays for the next three weeks—in fact, it will be sitting every day for three weeks—and those of us from Ontario who serve on that committee are not in the favourable position described by the honourable senior senator from Winnipeg (Hon. Mr. Haig) of being able to go home on Thursday nights and come back on Tuesdays. We stay here. I could go home, but I am prevented from doing so by the work that is expected of me. I think that senators from Ontario who stay in Ottawa over the weekends are entitled to some consideration.

The fact that only a few persons have turned up at the restaurant for breakfast on some occasions indicates that a full staff is not required at that meal. You do not need to have all the staff there to serve eight.

Hon. Mr. Brunt: A skeleton staff would be sufficient.

Hon. Mr. Roebuck: Yes. And when there are, as has been stated, only 25 or 28 persons present at lunch, you need only a staff sufficient to serve that number, not a staff sufficient to serve everybody in these buildings. It is merely a matter of better management to give us the service to which we think we are entitled, and which we certainly require. I say this on behalf of members of the Standing Committee on Divorce, particularly, because we are going to be here on Mondays and Fridays for weeks and weeks to come.

Hon. Mr. White: Honourable senators, I should point out that the committee members from western Canada during the last session of Parliament are the same as now. There is one member from the province of Quebec—His Honour the Speaker—and I am the only member from Ontario. The other members from the Senate are all from provinces which are too far distant for them to visit over the weekends.

For the information of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) I will say that the dining room, up to the end of last session, did not have all its staff present on Saturdays; it was being operated by a skeleton staff. But the report presented to the committee showed that the cost of operating the restaurant on Saturdays was so much out of proportion to the revenue that the committee decided it should be closed.

I will be quite satisfied, honourable senators, at the first meeting of the Restaurant Committee, when the members from the House of Commons have been appointed, to have some honourable senators come and present their views to the committee. I am sure the matter will be given every consideration.

Hon. A. B. Baird: Has any pressure been put on the committee by the staff?

Hon. Mr. White: To close on Saturdays?

Hon. Mr. Baird: Yes.

Hon. Mr. White: Not as far as I know. There was nothing of that nature mentioned at the meeting.

Hon. Mr. Baird: It appears to me that the staff seemed to want a five-day week and that the committee was just pressured into it.

Hon. Mr. White: No. If there was any pressuring it was not done in committee. No representations or anything of the kind were made by the staff.

Hon. Mr. Baird: On Monday I had a cold plate dinner in the restaurant. Now, when was that cooked? It must have been cooked on Friday. Do you think that is palatable? Is it right that people should have to eat such food?

Hon. Mr. White: I am not the chef. I don't know when it was cooked.

Hon. Mr. Baird: Those are things that members on the committee should know a little about.

Hon. Mr. Brunt: I suggest that the honourable senator from St. John's (Hon. Mr. Baird) be added to the committee.

Hon. W. D. Euler: Honourable senators, I am not personally concerned in the matter because I am one of those fortunate Ontario

members who go home on Thursday night and return to Ottawa on Tuesday morning. I am wondering, however, whether this recommendation to close the restaurant includes the cafeteria?

Hon. Mr. White: No. I understand that the cafeteria has always been open on Saturdays during sessions and it will continue to be open on Saturdays.

Hon. Mr. Davies: Are the restaurant staff paid for Saturdays whether they work or not?

Hon. Mr. White: I would not care to answer that.

Hon. C. G. Power: Would the honourable senator who has been answering questions in connection with the restaurant be good enough to tell me whether decisions taken by the Joint Committee on the Restaurant last session are valid and effective this session?

Hon. Mr. Brunt: That is a good constitutional question.

Hon. Mr. White: I will say to my honourable friend from Gulf (Hon. Mr. Power) that I will take notice of his inquiry.

Motion agreed to.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—SENATE MEMBERS

Hon. Mr. Aseltine, with leave of the Senate, moved:

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

Motion agreed to.

PRIME MINISTER OF JAPAN

INVITATION TO VISIT SENATE

Hon. W. M. Aseltine: Honourable senators, with leave I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald), that when the Senate adjourns today it stand adjourned until tomorrow at 2.45 in the afternoon.

The reason for adjourning until 2.45 p.m. is that we expect to have a visit at about that time from the Prime Minister of Japan.

Hon. Mr. Macdonald: May I have a word before the motion is passed? I understand that the Prime Minister of Japan will be coming to the Senate chamber tomorrow, but perhaps the honourable Leader of the Government (Hon. Mr. Aseltine) might give the house some further information. I am sure it would be of general interest to honourable senators.

Hon. Mr. Aseltine: I had intended that tomorrow afternoon, before the doors of the Senate chamber were opened, I would explain the details of the Japanese Premier's visit and ask for the unanimous consent of honourable senators to invite him to take a seat on the floor of the Senate. He will be able to spend only five or ten minutes with us. I understand that prior to coming to the Senate he will visit the House of Commons for a short time, and after leaving this chamber he will meet the Cabinet, and later on attend certain functions in the city. That is about all the information I can give the house now.

Hon. Mr. Macdonald: May I ask if the honourable Leader of the Government knows whether the Prime Minister of Japan will make an address in this house?

Hon. Mr. Aseltine: It is my intention to welcome him to the Senate and to ask the honourable Leader of the Opposition to do the same. Then I will ask the Prime Minister of Japan if he would care to say a few words. If I may have the unanimous consent of the house now to invite him to take a seat in this chamber, I will not have to ask for consent tomorrow.

Hon. Senators: Agreed.

Motion agreed to.

The Senate adjourned until tomorrow at 2.45 p.m.

THE SENATE

Thursday, January 21, 1960

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

Prayers.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, you are probably aware that there are two important bills now before the other house having to do with the disaster which struck the three Prairie provinces last October when their crops were snowed under. These bills are of such importance that the other place has seen fit to postpone the debate on the Address in reply to the Speech from the Throne to give them priority. It is quite possible that one of these pieces of legislation, Bill C-32, to authorize provisional payments for the 1959-60 crop year in respect of unthreshed grain in the Prairie provinces, may be passed there today, and that another bill, to provide short-term credit to grain producers in the Prairie provinces, may then be proceeded with. About the only object that we would have in sitting tomorrow would be to give first reading to these bills. So I would throw myself upon the mercy of the Senate and ask for unanimous consent to proceed on Monday night with their second reading. We shall have to adjourn, I believe, until Monday for this purpose so that, if necessary, the bills can go to committee on Tuesday, come back for third reading, and receive, later in the week, royal assent.

The Hon. the Speaker: Would the Honourable Leader of the Government (Hon. Mr. Aseltine) kindly suspend his remarks? The Prime Minister of Japan is waiting in the antechamber.

THE PRIME MINISTER OF JAPAN

GUEST OF THE SENATE

The Honourable Nobusuke Kishi, Prime Minister of Japan, was escorted into the chamber by the Gentleman Usher of the Black Rod, and presented to and invited to take a place to the right of the Honourable the Speaker. Honourable senators stood until the Honourable Mr. Kishi was seated.

Hon. W. M. Aseltine: Honourable senators, I am very happy indeed to say how honoured and pleased we are to have with us in the Senate chamber this afternoon the distinguished Prime Minister of Japan, accompanied by his Minister of Foreign Affairs and other prominent members of his party.

We welcome you, Mr. Prime Minister, and all the members of your delegation most heartily, and on behalf of all of us I say that this visit will long be remembered by the members of the Canadian Senate as a very happy occasion.

We hope you will enjoy your visit to Canada and to our capital city. We also hope and feel that your visit to our country will be most informative and fruitful and will result in cementing the continued good will and friendly relations between our two nations.

We wish you and Japan well.

Hon. Senators: Hear, hear.

Hon. W. Ross Macdonald: Honourable senators, as the Leader of the Government has said, it is indeed a happy occasion for us to have in the Senate this afternoon the Honourable Nobusuke Kishi, Prime Minister of Japan. Mr. Kishi has been in Canada only a few hours, but even in this short time I am sure that he has found that Canadians are a friendly people and that we count among our friends the people of Japan.

There are many reasons for this friendship but there is one which is often forgotten and that is that Canada and Japan are close neighbours. Japan is a neighbour on our west and we, in turn, are an eastern neighbour of Japan. The Pacific Ocean separates us one from the other by some thousands of miles, but by modern means of transportation we are separated only by a few hours.

Canada and Japan share many interests and aspirations, but the greatest of all is our mutual desire for peace; and to this end we, in common with Japan and other peace loving peoples, will continue to exert our every effort.

As Leader of the Opposition in the Senate, I wish to join with the Leader of the Government in extending to you, Mr. Prime Minister, a very genuine and warm welcome. May we also extend to you the very best of good wishes for your personal health and happiness and for the general well-being of those whom you represent.

Hon. Senators: Hear, hear.

Hon. Nobusuke Kishi, Prime Minister of Japan, then addressed the Senate in Japanese.

The Hon. the Speaker: Honourable senators, of course I understood every word the Prime Minister said, but to make sure I will read to the house an exact translation of his words:

I thank you very much for your warm words of welcome to us.

It is really a great pleasure and honour for us to meet you here in this solemn chamber which exemplifies the splendid traditions of Canada.

I believe with all sincerity that my visit to your country will undoubtedly deepen our mutual understanding and further consolidate the most cordial and friendly relations between our countries.

Mr. Prime Minister, you do us honour in visiting us on the floor of the Senate. We in the Senate do not bestow that honour on all our friends. We thank you for accepting the invitation to come here and say a few words and giving us an opportunity to see you and meet you. We are also very pleased indeed to welcome the Honourable Mr. Aiichiro Fujiyama, your Minister of Foreign Affairs.

Mr. Prime Minister, you have just come from Washington, where you signed with the American Government a treaty of security. Honourable senators, I think that gesture on the part of the American Government and the Japanese Government exemplifies and is a brilliant illustration of what can be accomplished by friendly negotiation. Mr. Prime Minister, I believe you were instrumental in bringing about the signing of such a treaty. We in Canada are indeed happy that the Americans and Japanese are again on friendly terms.

In 1952 you re-entered political life, and you brought together—which is a tremendous task—the Liberals and the Conservatives. We in the Senate have not accomplished quite so much. The Senate is a house which conducts its debates in a most friendly way and on a non-partisan basis. But we have not accomplished what you have. Perhaps by co-operation we could accomplish what you have done, but I fear it will not happen in the very near future. You have been Prime Minister of your country since 1957, after the Honourable Mr. Ishibashi resigned in your favour. We wish you long life as Prime Minister, and continued good relations with the American Government.

Mr. Prime Minister, perhaps you and I have something in common—a great distinction, I believe: we both played golf with President Eisenhower. I don't know how successful you were, but I did not show much skill at the game.

I wish also to greet the Honourable Mr. Aiichiro Fujiyama, your Minister of Foreign Affairs, who also has had a great career. Would Mr. Fujiyama care to rise at this time so that we may greet him?

(The Honourable Mr. Fujiyama stood and was greeted with applause by honourable senators.)

Mr. Fujiyama has been Minister of Foreign Affairs since July, 1957, and, although a newcomer to active political life, in his election in 1958 to the House of Representatives he received the second highest number of votes. Prior to becoming Foreign Minister he was one of Japan's most influential business leaders, an adviser to the Government on external economic problems, and president of both the Tokyo and Japan Chambers of Commerce and Industry. When he became Foreign Minister he resigned from executive positions—I would ask honourable senators to listen attentively to this—in 180 companies and other organizations. He is also a patron of the arts. His chief recreation is painting, and he plays golf.

We are happy to welcome you, sir, with all the other members of your delegation. We hope that very soon you will come back to Canada, visit us for a longer period of time and travel more extensively in our country.

Hon. Senators: Hear, hear.

The Prime Minister of Japan then withdrew, while honourable senators stood.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, you heard what I said a few minutes ago immediately prior to the advent of the Prime Minister of Japan. I would like to know if what I have suggested is agreeable to the Senate, and if I am to be allowed to proceed with the second reading on Monday night next of the two bills I mentioned if, as and when they are received here.

Some Hon. Senators: Agreed.

Hon. Mr. Macdonald: I would like it to be understood that there is no guarantee that the second reading will be concluded on Monday night.

Hon. Mr. Aseltine: Oh, no.

Hon. Mr. Euler: May I ask the honourable leader if the granting of these moneys is so urgent that we need to meet a day earlier than usual?

Hon. Mr. Aseltine: In answer to the honourable senator from Waterloo (Hon. Mr. Euler) I will say that this matter is so important that the debate in the other house was adjourned so that the two measures could be proceeded with. I have been through the disaster area and I know something about it. It is just awful, and the people there need whatever help we can give them as quickly as possible.

Hon. Mr. Euler: Would one day make much difference?

DOCUMENTS TABLED

Hon. Mr. Aseltine: Honourable senators, I table the following reports:

Report of the Cornwall International Bridge Company Limited, for the fiscal year ended September 30, 1959, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Report of the Department of Northern Affairs and National Resources, for the fiscal year ended

March 31, 1959, pursuant to section 11 of the Department of Northern Affairs and National Resources Act, Chapter 4, Statutes of 1953-54. (English and French texts).

Report of the proceedings under the Atlantic Provinces Power Development Act, for the fiscal year ended March 31, 1959, pursuant to section 6 of the said Act, Chapter 25, Statutes of 1957-58. (English text).

Report of the Unemployment Insurance Commission, for the fiscal year ended March 31, 1959, pursuant to section 95(1) of the Unemployment Insurance Act, Chapter 273, R.S. 1952. (English text).

Report of the Department of Transport, for the fiscal year ended March 31, 1959, pursuant to section 34 of the Department of Transport Act, Chapter 79, R.S. 1952. (English text).

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Monday next, January 25, 1960, at 8 o'clock in the evening.

Motion agreed to.

THE SENATE CHAMBER

ACOUSTICS

On the Orders of the Day:

Hon. Mr. Cameron: Honourable senators, before the Orders of the Day are proceeded with may I inquire whether anything can be done to improve our voice amplification system? Yesterday I could not hear a word that was said at the other end of the chamber. It seems to me that we have spent a good deal of money on an amplification system that is not working satisfactorily. Whether it can be made to work I do not know, but it certainly could be looked into.

Hon. Mr. Euler: I would like to support the remarks just made by the honourable senator from Banff (Hon. Mr. Cameron). One of my colleagues sitting behind me has said, "I cannot hear the discussions in this chamber as well this session as I did last session." I was wondering whether the sound system we had last session has been discontinued or what is the matter. It is not as good as it formerly was and it should be improved.

Hon. Mr. Macdonald: You are not wearing a hearing aid.

Hon. Mr. Euler: I do not need one.

The Hon. the Speaker: Honourable senators, may I say a word on this subject? I believe quite a few honourable members do not speak loudly enough. It is good exercise to speak loudly. The debate yesterday was conducted in very low tones and I could not follow half of it. I do not think the system is responsible but that honourable senators should endeavour to project their voices. It is just a humble suggestion I am making.

Hon. Mr. Euler: If I may say so, with all due respect to His Honour the Speaker, it is very difficult for me to hear him now.

The Hon. the Speaker: Well, something must be wrong.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE ADJOURNED

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

Hon. Henri Courtemanche moved, seconded by Hon. Frederick M. Blois:

(Translation):

That the following address be presented to His Excellency the Governor General to offer the humble thanks of this house to His Excellency for the gracious speech which he has been pleased to make to both houses of Parliament, namely:

To His Excellency Major-General Georges P. Vanier, Companion of the Distinguished Service Order, to whom was awarded the Military Cross and the Canadian Forces Decoration, Governor General and Commander-in-Chief of Canada.

May it please your Excellency:

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

(Text):

The Hon. the Speaker put the motion, as read.

Hon. Mr. Higgins: Honourable senators, for the enlightenment of many of the uninitiated in the mysteries of the French language, of whom I am one, may I ask that His Honour the Speaker put the motion in English so that we will know what we are voting on?

The Hon. the Speaker: I will translate it as I go along.

It is moved by the Honourable Senator Courtemanche, seconded by the Honourable Senator Blois, that the following Address be presented to his Excellency the Governor General of Canada—

Hon. Mr. Macdonald: Dispense.

(Translation):

Hon. Henri Courtemanche: Honourable senators, at the outset of my first speech before this august assembly, may I pay tribute to our gracious Sovereign who, on the 1st of July last, celebrated with us in this capital city the anniversary of Confederation.

Her Majesty Queen Elizabeth II and His Royal Highness Prince Philip, Duke of Edinburgh, as we know, spent the next six weeks travelling through the greater part of Canada before going to visit our neighbours

to the South. Very few monarchs in the world enjoy, to the same extent, the affection of their subjects.

Everywhere, during this historic visit, our Queen and her husband were the object of enthusiastic and spontaneous demonstrations. I was particularly happy to learn that, according to many observers, it was in one of the cities of the province of Quebec, namely Three Rivers, that they received the most cordial welcome.

Her Majesty, indeed, has always shown the French-speaking population of Canada such understanding and friendship that she has won the heart of each one of us.

I would like, today, to wish our Sovereign good health. We all somewhat share the royal family's anxiety on the eve of a great event which, with the grace of God, will bring her a great joy, a joy in which we will be happy to join.

I must now confess, honourable senators, that it is not without a deep emotion that I rise to propose the Address in reply to the Speech from the Throne. Just a few days ago, I was still a member of the other house. And now I have been conferred the signal honour, not only of becoming a member of the Senate, but also of proposing the Address in reply to the Speech from the Throne.

May I give public expression to the gratitude I feel towards the person who has shown such confidence in me. It is most sincerely that I wish to thank the Right Honourable the Prime Minister for this great honour. In a few short years, the leader of the Canadian Government has become one of our ranking statesmen.

The responsibility placed on my shoulders is a heavy one indeed and if I have accepted it, honourable colleagues, it is because I know the atmosphere of good will and cordiality which pervades this Chamber and I am sure that you will not refuse me your indulgence, which I most humbly crave.

You may rest assured that I will endeavour to represent the electoral division of Rougemont as well as I can. I might add that I have long had a connection with that division, my mother having been born at St. Cesaire. Moreover, chance has ordained that this electoral division be represented at the Legislative Council of my province by a former member for the county of Labelle.

I would now like to pay tribute to His Excellency the Governor General, Major General Georges P. Vanier who, on the 1st of August last, succeeded the Right Honourable Vincent Massey. It was immediately upon her return from Canada that our gracious Sovereign was pleased to call His Excellency to this high function. He therefore became the second Canadian and the first French Canadian to represent the Crown in Canada and Madame Vanier, the first Canadian chatelaine of Rideau Hall.

The appointment of Major General Vanier, as we know, gave rise to most flattering comment on all sides. In the Paris newspaper *La Croix*, Wladimir d'Ormesson, of the French Academy, wrote that this appointment "testified once again to the care with which the Crown looks after the interests of each member of the commonwealth, to the realism and noble feelings with which the Queen fulfils this key function which is one of the oddities, as well as one of the safeguards, of our modern world".

"And the name Vanier", continued Mr. d'Ormesson, "is dear not only to all Canadians, but also to all Frenchmen. Major General Vanier is one of the highest, purest and most respected figures of our time".

As Secretary of State, I had the very great honour and signal privilege of accompanying from Montreal to Ottawa Their Excellencies the Governor General and Madame Vanier when they left the Canadian metropolis to make their official entrance into the Capital.

I shall keep an imperishable memory of the all too short moments spent in the company of this illustrious couple.

The Speech from the Throne which was read at the opening of the third session of the twenty-fourth Parliament contains a heavy legislative program.

What strikes me, however, at least in the first paragraphs of the speech, is the obvious and ardent desire that peace should reign among the different countries of the world. And in order that people may enjoy such peace and harmony in the four corners of the world, the Government of Canada will leave no stone unturned.

I might add that during the year which has just ended, Canada has had the opportunity of asserting herself on the international scene, both at the United Nations and at NATO. I believe that our country continues to display and to increase its prestige within the international bodies working towards the peaceful solution of differences and the passing of agreements likely to promote peace throughout the world.

Canada wants a lasting peace because we know very well that without it we will experience a disaster that will spare no single part of the world.

One would rather not give even a single thought to the kind of disaster that would result from a world war or even a limited war waged with nuclear weapons. Nations have devised means of defence and attack so deadly that today their main concern is to find measures in order that they will never be forced to resort to such weapons.

But peace alone is not enough. There is the question of atomic fall-out which is certainly one of the most disturbing at the present time and we are happy to learn that the proposal submitted by the Honourable the Secretary of State for External Affairs to the United Nations received unanimous approval. Canada's Government recommends the taking of samples which would be analysed as efficiently as possible for radio-active particles that are now present in the atmosphere and in the ground as well as in our food.

In a report submitted to the French Academy of Science, last October, five scientists: an American, three Japanese and a Frenchman—(Messrs. Linus Pauling, Hideki Yukawa, Shoichi Sakawa, Sin-Itiro Tomonaga and Jean-Pierre Vigier)—predicted that over a million people would die from radio-activity that has been given off so far by explosions of nuclear bombs. Moreover, they predicted that 1,250,000 abnormal children would result from this same deadly radio-activity.

Can it be that those people are exaggerating a bit? Maybe they are over-pessimistic. Nevertheless in Canada and the United States scientists are constantly examining food and soils lest there should be any dangerous amount of Strontium 90. We are told that until now we have been safe from that danger. But will the situation remain as it is now?

Reports that "there is no danger at present" are not lacking. It is however obvious that our poor human race, like a sorcerer's apprentice, runs the risk of being the victim of a power that it has released but can no longer control. Besides, the wish to restrain or abolish completely nuclear experiments often expressed by many statesmen, convinces that Canada is duty bound to do everything in order to have these experiments discontinued and in order that some kind of international control be established.

I know that our country is in a better position than any other country to play the part of peacemaker. Everyone knows that Canada has no axe to grind nor desire for aggrandizement. Our country has always lived on excellent terms with her neighbours. And up to now on the international scene Canada has shown a constant and unselfish devotion in serving the great cause of peace. There is therefore no reason to be astonished that throughout the world the general feeling is that Canada will exert a strong conciliatory influence at the Conference that will take place in Geneva next March when we will begin negotiations with the U.S.S.R. with a view to applying a policy of general disarmament. No one can work for a better cause than that of peace and good will.

And now, what about the economic situation in our country? The Speech from the Throne mentions an improvement during 1959 and expresses optimism for 1960. It refers to "favourable prospects". The Honourable the Minister of Trade and Commerce has confirmed this forecast in his "Review of Canada's economy in 1959 and outlook for 1960".

In regard to prospects for 1960, one can read in particular the following:

> What is presently known of investment plans for 1960 suggests that capital outlays by the business community will increase considerably. A stepped-up rate of expansion is indicated in the commercial sector, in manufacturing and possibly in some utilities also. The level of outlays in other fields of investment will depend in large part upon the physical and financial resources which they are able to command—
>
> "Prospective growth in both exports and investment will help to sustain the current upward trend of personal incomes and contribute to further strengthening in other market sectors. The consumer market in particular gives promise of continuing buoyancy in the period ahead.
>
> "These considerations suggest that total demands upon the economy are likely to continue to increase, resulting in a further expansion of output and employment. While productive resources have become more fully utilized over the past year, there is still a considerable amount of available capacity in most industries. In addition, manpower and plant capacity are growing steadily. In these circumstances, it would appear that a production increase of considerable dimensions could take place without giving rise to excessive pressure upon productive capacities. At the same time, it is important that demands be kept within the scope of available resources.

For his part, before the Canadian Club in Toronto a few days ago, the Minister of Finance gave us a warning which is thought provoking. He invited the Canadian people to avoid in this country the experiment of inflation which can only lead to disaster. A greater prosperity is ahead of us, but we must achieve stabilization of cost prices.

A steady rise of the latter might well have serious results. Moreover, the Honourable the Minister of Finance intimated that the Government will enforce the necessary restrictive measures to offset the latent threat of inflation.

Canada needs new capital to carry on its economic expansion. Last year 80 per cent

of the billion dollars we needed came from the United States. One can understand why the Honourable the Minister of Finance is asking Canadians for their savings. It is absolutely necessary for us to take a larger share in the development of our own economy. Why lack confidence in our future when foreigners do not hesitate to invest millions and millions of dollars here?

With these reserves, we are justified in being optimistic. During his speech at the yearly meeting of the shareholders the Chairman and President of the Royal Bank of Canada said this:

> I believe that Canadians have the courage demanded by the march of events in the 1960's and the will to achieve the even richer promise of decades still to come. With our material blessings, these qualities are all we need to make Canada a leader and an example to all the eager young countries—in Latin America, in Africa, in Asia—which even now are, like us, striving to meet the great problems, and to achieve the even greater rewards, of a sustained, balanced, healthy economic growth in a tough, competitive world, but, let us fervently hope, an essentially peaceful economy of nations.

Among the innovations announced by the Speech from the Throne there is "the establishment of a new department concerned with affairs relating to the forests of Canada and their most effective utilization and conservation and to assume responsibility for other related resources."

Canadians will be gratified over such a decision. Let us not forget that almost half the land of Canada is still covered by forests. Let us not forget that our forests provide one eighth of our national income. Do we often realize that the trade in wood and wood products, newsprint especially, accounts for one third of our exports?

Many industries are dependent on forests, pulp, paper, and lumber being the main ones. In the House of Commons I used to represent the riding of Labelle, which, if I may be allowed to use such an expression, derives its livelihood from the forest. Therefore, I am quite familiar with this matter and I can assure you that the government's decision to establish a new department is a most timely one. The problem of forest conservation is very important and research in this field should be intensified. Research work will help to discover new products and by-products, the manufacturing and the trade of which will be a valuable contribution to the general prosperity of our country.

The province of Quebec, in particular, will look favourably upon any steps which may be taken by the federal Government, within the limits of its jurisdiction, in order to protect our forests and to promote their rational and profitable development. Quebec ranks first in Canada in regard to the production of pulp and paper, as well as in regard to the value of her forests and water resources which, as everyone knows, are essential to the logging industry. According to the figures supplied by the minister of Lands and Forests of that province last November, the logging industry has paid in 1958 over 250 million dollars in wages in Quebec, while the production of forest products exceeded 650 million dollars.

The creation of this new department is due to the initiative of our great Prime Minister, the Right Honourable J. G. Diefenbaker, who has made it part of his program. It will enable us to take care of the resources given us by Providence and to supply the logging industry of Canada with the scientific data it requires.

Honourable senators, I have asked for your indulgence and you have been kind enough to grant my request. Within my modest means, I shall endeavour to work for the greatness and the prosperity of our beautiful country, and for good will between the two leading races. Let us give our beloved country a truly Canadian soul which will result from the union of two philosophies, two religions, two cultures, two languages and two turns of mind. For our part, let us co-operate, and let our English-speaking fellow-countrymen do likewise, and I trust there will always be mutual respect and comprehension.

I shall conclude by quoting one of my illustrious predecessors in this house, Sir Thomas Chapais, who said:

> Let us have this union which is based fundamentally on justice, tolerance and liberty; justice which protects all our citizens and has only one law for minorities and majorities alike; tolerance which teaches mutual respect of national convictions and customs; liberty which guarantees to each the free exercise of his civil, political and religious rights.

Such union would make of Canada, honourable senators, a happy, prosperous and glorious country, a country—and here I paraphrase the words of Sir Thomas Chapais—preserved not by the governors or the statesmen, or by great men alone, but by the Canadian people. Our people have kindled the flame that is Canada's and have made it even more brilliant for us; we too shall pass on and shall leave this vale of tears, but Canada will remain, your Canada, our Canada.

Honourable senators, I have the honour to move the Address to His Excellency, the Governor General, in reply to the Speech from the Throne.

(Text):

Hon. Frederick M. Blois: Honourable Senators, in seconding the motion for an Address in reply to the Speech from the Throne I would like to express my sincere thanks to the Leader of the Government in the Senate (Hon. Mr. Aseltine) for the high honour he has bestowed upon me. This honour, of course, was not to me, but to that grand old province of Nova Scotia, and particularly to my constituency of Colchester-Hants—and for the information of honorable senators I would state there is none finer in the province.

It is difficult for me, a new member of this honourable chamber, to discuss the various proposals which the administration intends bringing before Parliament at this session. But it does seem clear that they include a number of measures for extending more justice to various groups, and for instituting action in connection with subjects on which many people feel action was long overdue.

I would like to compliment the mover of the motion for an Address in reply to the Speech from the Throne for the very able manner in which he appeared to deliver his speech. I must say "appeared" for, unfortunately, I could get only a word here and there. It is my great loss that I do not understand the French language. However, one could tell from the faces of honourable senators who do know the language that it was appreciated.

Honourable senators will, I believe, agree that Canada and the whole world are going through a strenuous and trying period. It is going to require the best brains of all the world to work out a peaceful solution. Threats of war are still abroad, but I believe that the danger is not as great as it was one year ago. The meetings held by various heads of state and by the secretaries of state of the various nations, and the great work being carried on by the United Nations, are doing much to combat the danger.

The representatives of the Government of Canada have been doing their part. Their untiring efforts deserve the thanks of all Canadians. Our standing among the nations of the world has been growing through the years. May it continue to do so and may those carrying on the work be given the strength and health to continue.

All world governments are greatly concerned about disarmament, nuclear weapons and the danger of radioactive atmosphere, soil and food. Canada has taken and must continue to take a very active interest in these things. We are very vulnerable. Canada must get the best technicians available and be prepared to spend money where necessary, either on her own or in conjunction with other nations. I know that our Government will continue to give serious consideration to these problems.

Honourable senators, I would like to say something about the unemployment situation in our country. This same situation at present exists in practically all the countries of the world, but that does not help conditions in Canada. As honourable senators well know, our climatic conditions are blamed for a large part of our seasonal unemployment. Regardless of the cause, however, the situation is a serious one, causing worry to our Government, our industries, and even more to the unemployed themselves and their families. It has been estimated that the seasonal unemployment problem means a loss in wages of nearly $250 million during approximately a four-month period each year. This is a tremendous loss to the economy of the country, but much more serious is the dislocation of family life during that time.

It is my belief that this condition can be improved by the co-operation of governments, industry and labour unions. I do not think it is the sole responsibility of government. Not many years ago it was unheard of to see building construction being carried on in the winter months. Now it is a common sight. It is my belief that many kinds of work can be done during the winter months. First costs may seem higher, but I believe there are other considerations to offset this. As an example, it is a well-known fact that many contractors must pay their key men during the slack period. The interest on cost of machinery continues, as do taxes and other items. It is quite possible that such fixed costs would to a large extent offset the additional cost of winter work.

If I might be permitted to mention a personal experience: Some two years ago I approached a firm doing business in Nova Scotia and employing more than sixty men. At that time I was in a position to give them nearly two months' work during the winter if it could be done at summer prices. Previously we paid a winter bonus. I pointed out the savings I thought would accrue to them by keeping the regular staff together, and, more important, the benefit to the community, and particularly to the employees and their families. After some discussion the local manager agreed to take the subject up with his head office. Within a short time I had a visit from a vice-president of the company, with the result it was agreed to give the scheme a trial for one winter. Some problems developed the first year, but it was considered worthy of further trial last winter. I am pleased to say it is again being carried on

this winter. All that was required was a little co-operation. I am not suggesting that all unemployment could be solved so easily, but I do think much could be accomplished along these lines.

I was more than pleased to hear the Minister of Highways for Nova Scotia, on the occasion of the annual dinner of the Nova Scotia Road Building Association a couple of weeks ago, suggest to them that they should consider their costs of winter work along the lines of the arrangement with the firm I have just referred to. The Minister of Highways went even further. He instructed his engineers to give immediate study to the situation and if possible do some construction work this winter, keeping accurate costs for comparison. The Nova Scotia Government, as you will see, is very much alive to the problem.

I would like to say something about the tourist industry, which is probably the most important and far-reaching of any industry in Canada. It affects each province in that it is a completely cash transaction and is bringing in what might be termed new money. It is an industry that is growing rapidly, but as yet some provinces have only scratched the surface. My own province of Nova Scotia is vitally interested, and well it might be, for it is one spot in which we can compete with all Canada. We have the scenery—beautiful hills and valleys, streams and lakes in abundance for fresh-water fishing, thousands of miles of coastline for deep-sea fishing, beautiful sandy beaches, and a climate which is the envy of the rest of Canada. With our newly paved highways—and more are being built each year—and with the assistance of the federal Government in connection with "Roads to Resources", Nova Scotia is truly a tourist paradise.

All Canadians can, and should, assist this important industry to grow. We can invite our friends from the United States and from other parts of the world to visit us, and when they come let all of us go out of our way to be courteous to them, and to be friendly. If we see a foreign licence plate on a car, and the occupants seem to be in doubt, then let us stop and offer our help. I have had many such visitors tell me how much they appreciate the friendliness and help of our people, and that they are coming back.

My home town of Truro has demonstrated this spirit of friendliness to such an extent that its good reputation is spreading far and wide. A few years ago it was decided to do some advertising about beautiful Victoria Park, which comprises over one thousand acres. Tourists had asked if a trailer spot could be arranged. A retired businessman, Mr. Will Smith, became interested and, with the aid of the town Board of Trade and other organizations, a trailer park and camping site was set up. During the past summer it was not unusual to see tourists occupying a couple of hundred trailers and tents enjoying the camping facilities night after night. Many people were back from the year before, and even more have stated they are returning next year.

In addition to the splendid facilities at the park there is the fact that Mr. Smith will be found there each evening welcoming our visitors; and it is even more interesting to note that he is there early in the morning to bid them good-bye and to invite them to come again. All of this is done without salary, his reward being the good done to his town and the grateful thanks of our visitors. If there were more "Bill Smiths" in Canada our tourist industry would grow beyond belief.

In connection with the tourist industry I think a word of thanks should be passed along to our newspapers, which, in my opinion, are doing a wonderful job in promoting this important industry. Much of it is done by way of editorials and other items for which the newspapers do not receive pay. I think the public generally takes the press too much for granted and does not give it the credit it deserves.

Perhaps I may be permitted to refer briefly to a few of the highlights in the Speech from the Throne which I think will be of particular benefit to Nova Scotia, and to the Atlantic provinces generally.

One of the most important is the proposed extension of the Trans-Canada Highway Act beyond its present date of expiration. This highway has meant, and will continue to mean, much to the province. We in Nova Scotia have between 15,000 and 16,000 miles of highway, and at the end of 1959 nearly 2,800 miles had been paved. I know honourable senators will not think I am speaking politically when I say that under the able leadership of the present Minister of Highways, the Honourable G. I. Smith, the present Government, with assistance under the Trans-Canada Highway Act, has in three years constructed and paved more mileage than any previous Government in ten years.

The establishment of a department in connection with forestry will, I believe, be a great help to our province. In the past forests have been considered basically a provincial responsibility, although the federal Government has assisted in research work and has, I believe, co-operated where possible. I trust the legislation to be introduced will give greater assistance to the province in the matter of effective utilization and conservation of the forests, including forest management and fire protection.

In many sections of Nova Scotia the farm wood-lot is now becoming very important.

Logs are being cropped for farm income in the same way as any other produce of the farm. The late George Dickey, with whom I sat in the Nova Scotia Legislature, and who was well known to some honourable senators here today, had for thirty years advocated this method of increasing farm income in the Stewiacke Valley of Colchester County. Quite recently I was talking with a farmer from that area who has followed this method, and he advised me it meant about $2,000 per year to him now, and that he had more lumber on his property than he had some years ago. In connection with these farm wood lots I believe the time has come when consideration should be given by the board responsible for making loans to farmers to include the farm wood lot along with the rest of the farm.

I was also pleased to see that legislation is to be introduced proposing the granting of the franchise to our Indians. Perhaps honourable senators are not aware that the Indians of Nova Scotia have the provincial franchise. We have quite a large reservation in the Colchester-Hants constituency. These people are excellent citizens. Many of the men are good craftsmen in masonry and painting and other trades. I know from personal experience that they are splendid guides on fishing and hunting trips. I trust the granting of the franchise will in no way interfere with those rights which they now enjoy.

Honourable senators, we Nova Scotians are very proud of our ancestry, being composed of French, English, Irish and Scots. From the French we get our love of home and family; from the English, our bull-dog spirit of fighting for those things we think are our just rights; from the Irish, our wit and our love of good, clean fun; and from the Scots our frugality and determination to get value for every dollar we spend.

With such a background, honourable senators, is it any wonder we are so proud of our province, and of our people who have gone out into far places of Canada, and abroad, and made a name for themselves and brought honour to their native province?

Many of our native sons have been bank presidents and college presidents, and heads of large industrial corporations in Canada and the United States. And, honourable senators, what other province can lay claim to three Prime Ministers of Canada out of the thirteen since Confederation? Perhaps, as an interesting sidelight, I should mention that all three have been Tories.

I can safely say that the Maritime provinces can lay claim to being the birthplace of the nation, and I can go further and state that the idea of the nation was conceived and born in Nova Scotia in 1861. Had it not been for the able statesmen we had in those years previous to 1867, I doubt that there would have been a confederation of the provinces which now make up our Canada—a country that has taken its place in world affairs.

We Nova Scotians are very proud of the fact that we were the first province outside of the United Kingdom to have responsible government. There may be some arguments as to this statement, some claiming that all the provinces of the then Canada had responsible Government at the same time, namely 1847-48. However, old records show that that great Nova Scotian, Joseph Howe, referred to the closing session of the Nova Scotia Legislature on April 10, 1841, as the first under responsible government.

Again that great statesman, Joseph Howe, as all honourable senators know, was responsible for the freedom of the press. We Canadians and all the free countries of the world owe a tremendous debt of gratitude to the press for what they have done in the past and what they are doing today. They do very much more than bring us the news of the world day by day. By their editorials they can, and do, mould public opinion to a much greater extent than many people realize. And it was Nova Scotian Joseph Howe who won for them the freedom of the press which makes possible today these editorial writings.

Honourable senators, we often hear Canada spoken of as a young country, and in comparison with the countries of Europe and Asia I suppose it is young. But I would suggest to you that Nova Scotia is old compared with central and western Canada. It was old when the Indians and the buffalo roamed where now stands the city of Calgary, and I suggest, most respectfully, that men born and educated in Nova Scotia had much to do with opening up our great central and western Canada.

To mention one or two of these great men, I would refer first to Sir Samuel Cunard, from Halifax, who built up the Cunard fleet of ships which meant so much to the trade of Canada. Then I would refer to Sir Sandford Fleming, also from Halifax, who did so much in building the Canadian Pacific Railway. And getting much closer to today, there was Edward Horne, the discoverer of Noranda, a discovery which really opened up the north and brought untold millions of dollars to Canada. It was my privilege to know this gentleman in his later years, and it was most interesting to listen to his stories of adventure. He was born, as I was, in Hants County and he returned there to spend many happy years before his death. During those later years he did much for his place of birth, helping agriculture, building a large school and assisting most generously in many good works. A number of close relatives reside today in his home village of Enfield.

Honourable senators, just to mention a few more things Nova Scotians were reponsible for and which have meant so much to Canada: in the field of aviation it is well known that the first heavier-than-air flight in the British Empire was made on February 23, 1909, by J. A. D. McCurdy, afterwards Lieutenant Governor of Nova Scotia. The flight took place over the Bras d'Or Lakes at Baddeck, Nova Scotia—and, I might ask, where would you find a more picturesque and beautiful place?

In the realm of science, one of the world's greatest scientists, Simon Newcombe, was born at Wallace in Cumberland County. The inventor of the process for manufacturing coal oil, Dr. Abraham Gesner, was another great Nova Scotian.

In agriculture we are proud of the fact that the first wheat ground into flour in North America was at Annapolis Royal in the year 1610. Also, the first apple trees in North America were planted at Annapolis, in 1606. I think the honourable senator from Kings (Hon. Mr. McDonald), were he in his seat now, would support me when I claim our apples have a flavour second to none.

Nor was it all work in those days, for we had the first social club in North America, in 1606. It has since been reorganized. I would like to extend an invitation to all honourable senators to visit Nova Scotia next summer, and I assure them that all the honourable senators from that province would treat them royally and recommend them for honourary membership in the oldest social club in North America.

Honourable senators, I have talked of the past record of Nova Scotia. You may well ask, what of the present and the future? I am delighted to report that our people seem to have taken on a new lease on life. Our provincial Government has assisted in setting up a company known as Industrial Estates Limited to assist new industry to get started in the province. We are active partners in the Atlantic Provinces Economic Council, which is going all out to assist present business to improve and expand and to make our own people conscious of Atlantic provinces products.

Last Friday, January 15, there was held in the city of Halifax a conference of business and professional men, representatives of labour unions and municipal and Government officials, as well as economists and planning experts, called by the Mayor of Halifax to plan for the Halifax of 1980, with a foreseeable population of 300,000 persons. You may say this is fantastic and impossible, but many came away from that meeting with the idea firmly implanted in their minds that this could very well happen and that planning for it should receive prompt attention. I note by this morning's Toronto press that the great Toronto metropolitan area is also making plans for 1980. To my friends the honourable senators from the Toronto area, I would say I am sure Mayor Vaughan of the city of Halifax would be highly honoured to think the great city of Toronto was following his lead.

Why this new enthusiasm? Were I speaking outside this honourable chamber, I might express my opinion in a somewhat different manner than would be reasonable for me to express it here today. I sincerely believe what is happening in Nova Scotia is occurring all over our great country. Our Canadian people seem to have received a vital, vibrant lift that has been lacking for years. We apparently have reached the stage where we have faith in ourselves and in our country. We are now well started on the way to taking our rightful place in world affairs and the future of Canada is assured. With our fabulous natural resources, our industrial know-how, and the finest type of working men and women in the world, there is just no limit to what we may accomplish.

Honourable senators, it is with great pleasure that I second the motion for an Address in reply to the Speech from the Throne.

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

DIVORCE

REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the first report of the Standing Committee on Divorce, which was presented yesterday.

Hon. Mr. Roebuck, Chairman of the Committee, moved adoption of the report.

The Hon. the Speaker: Honourable senators, is it your pleasure to adopt the report?

Some Hon. Senators: Agreed.

Hon. Mr. Pouliot: On division.

Hon. Mr. Roebuck: My motion is merely for the constitution of the committee. It has nothing to do with the passing of a divorce bill, and I do not think any honourable senator need oppose it.

The Hon. the Speaker: Well, it is his constitutional right!

Hon. Mr. Roebuck: Oh yes.

Report adopted.

The Senate adjourned until Monday, January 25, at 8 p.m.

THE SENATE

Monday, January 25, 1960

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

Prayers.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-32, to authorize provisional payments for the 1959-60 crop year in respect of unthreshed grain in the Prairies provinces.

Bill read first time.

SECOND READING

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

Hon. W. M. Aseltine: With leave, I move the second reading now.

Honourable senators, there is a certain amount of urgency about this measure and another bill, C-35. In fact, in the other place the debate on the Speech from the Throne was adjourned to give these two bills priority. The urgency is such that I trust we shall be able to advance these bills as far as possible this evening.

Perhaps I should first sketch for honourable senators the reasons why this legislation is necessary.

In the late summer and fall of 1959 the weather in the Prairie provinces was simply terrible, and that condition of affairs is responsible for these two measures being brought before Parliament at this time. At the present moment there are more than 100 million bushels of unthreshed grain, some of it still standing, but most of it in the swath in the three Prairie provinces.

When the survey was first made there was very much more than 100 million bushels unthreshed, but in the central, west central and southern parts of Saskatchewan and in some parts of central and southern Alberta we were fortunate, in that we got ahead with our threshing again after the snow went away. It is true we threshed some of it a little damp before the snow came to stay. In the area where I carry on my operations I know of only two farmers whose grain has not been fully threshed. Personally, my own grain being threshed, I am interested only in this measure on behalf of the poor farmers in the other areas who are in desperate circumstances.

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Perhaps the reason why we in the central part of the Prairie provinces were fortunate was that we had very little rain during the growing months and our crops matured quite quickly, so we had most of them threshed and under cover before the bad weather arrived. But in practically the whole of Manitoba, with which I am familiar, and in almost all the northern and eastern part of Saskatchewan the great bulk of the 1959 crop is unthreshed. The honourable senator from Bruce (Hon. Mr. Stambaugh) is familiar with the situation in Alberta, but I can speak about conditions in Saskatchewan and Manitoba because I have seen them with my own eyes.

It is expected that threshing will commence in the spring, which is usually comparatively dry, and that it will be well under way by May 1; by that time the ground and grain should be dry enough for threshing.

I have known situations like this in past years, but nothing so extensive. I have had the experience of having flax stand uncut all winter, and when I threshed it in the spring I recovered most of it.

This legislation, honourable senators, is directed primarily to giving assistance to the producers in the Prairie provinces in the position which I have just explained. The scheme of the bill is almost identical with that of the Prairie Grain Advance Payments Act, which was passed in the fall of 1957, and which had to do with advance payments by the Canadian Wheat Board on threshed grain in store on the farms, which grain could not be marketed because the elevators were full and the farmers needed money to carry them through the winter.

Bill C-32 provides for advance payments, also by the Canadian Wheat Board, on wheat, oats and barley which have not yet been threshed. The legislation is, naturally, of a short-term nature because, as I said a few moments ago, the grain will be threshed early in the spring of 1960. Applications must be made to the local elevator agents prior to May 1 next, at which time it is expected that the threshing will be well under way. The 1959-60 crop year ends on July 31 next, and it is expected that these provisional payments will be fully repaid by that time. They are to be repaid out of one-half of the proceeds of the deliveries of each applicant from the time he makes his application and receives his money until such time as the crop year ends.

Hon. Mr. Macdonald: I do not like interrupting the honourable leader, but could he tell the house the total gross amount that any farmer can receive?

Hon. Mr. Aseltine: I am coming to that.

Hon. Mr. Macdonald: I am sorry.

Hon. Mr. Aseltine: This legislation, honourable senators, contains most of the provisions of the Prairie Grain Advance Payments Act, which I have mentioned previously, in that it makes provision for the necessary funds, and for the method whereby producers may secure the payments, and the basis upon which the payments will be authorized. In the procedure relating to repayment, the formula is almost identical with that under the Prairie Grain Advance Payments Act.

I would like to say something about the calculation of payments. They will be calculated on the basis of one-half of the unthreshed grain multiplied by 50 cents per bushel for wheat, 20 cents per bushel for oats, and 35 cents per bushel for barley. It is provided that one-half of the unthreshed grain must not exceed the quantity deliverable under a general six-bushel quota per specified acre less deduction of prior deliveries.

However, the quantity of threshed grain the applicant has in store will also be deducted, because a producer can secure an advance payment on his threshed grain under the Prairie Grain Advance Payments Act. Payments under this new act will be solely on the unthreshed grain of the applicant.

I believe I have already indicated that the repayment provisions under this measure are quite similar to those under the act which was passed in 1957. One-half of the proceeds of all deliveries made by the producer after the date of his application for a provisional payment will be applied on repayment. The scheme operates as follows. In case one-half of the producer's unthreshed grain is less than he would deliver on a six-bushel general quota, the maximum provisional payment he can obtain is one-half of his unthreshed grain multiplied by 50 cents for wheat, 35 cents for oats and 20 cents for barley, less the deductions referred to.

Hon. Mr. Beaubien: May I interrupt the honourable leader to ask him a question at this point? Am I to understand that in order to come under this legislation the farmer must have at least 50 per cent of his grain unthreshed?

Hon. Mr. Aseltine: No, that has nothing to do with this legislation at all.

However, if the producer's unthreshed grain is more than his six-bushel general quota, then his maximum provisional payment under this legislation is the six-bushel general quota multiplied by 50 cents, 35 cents or 20 cents, respectively, less the deductions referred to.

I would also like to inform honourable senators that the maximum provisional payment on unthreshed grain is $1,500, which is equal to 50 cents a bushel on the quantity of wheat which a producer could deliver under a six-bushel general quota on a specified acreage of 500 acres.

As the advance will be made by the elevator agent, full particulars of the advance will be entered in the applicant's quota book, which is a permit he takes out at the beginning of each crop year and under which the agent marks the deliveries of wheat, oats and barley. Every time the farmer takes a load of any of these grains to the elevator it is marked in his quota book. Elevator agents are required to deduct one-half of the proceeds of future deliveries until repayment has been made in full, and as they get the money in they are required to forward it to the Wheat Board. I presume they would do that by sending the Wheat Board a cash ticket.

Under the Prairie Grain Advance Payments Act this has worked out most effectively and there have been practically no losses on advance payments made in the 1957-58 crop year; 99.9 per cent has been repaid. For the 1958-59 crop year, 99 per cent has been refunded. This, honourable senators, is an exceptionally good showing; and I should like to take the present opportunity to congratulate the elevator agents—whom we call "grain buyers"—on the manner in which, as agents of the Canadian Wheat Board, they have carried out this business. The grain buyers in my area are familiar with every farm. They know the number of acres in each kind of crop. Those acreages are entered in the quota book, in which also are entered the names of the people interested in the crops; and the agents, with their knowledge of production, yield, and the rest, are able to carry on this business most effectively. This endorsement on the permit book is the main safeguard; and, as I have said, that type of security has proved most effective. Under both acts there is an undertaking on the part of the producer to deliver grain in sufficient quantity to repay the advances when quotas are made available to them.

If and when this bill is enacted, a producer with threshed grain will be eligible, as in the past, to apply for a cash advance under the Prairie Grain Advance Payments Act to a maximum of $3,000. A producer with unharvested grain will be eligible to obtain a provisional payment up to a maximum of $1,500; and a producer having both threshed and unthreshed grain may take advantage of both statutes, to a maximum of $1,500 for unthreshed grain, with an overall maximum of $3,000, provided of course that he has

not on hand a great quantity of threshed grain, the possession of which would make quite a difference.

It is believed, honourable senators, that this new legislation will be welcomed by the farmers of the Prairie provinces, and will be the means of furnishing them with funds needed to carry on until such time as their wheat, oats and barley, now under the snow, have been threshed in the spring.

I could at this time go into all the sections of the bill, but that may not be necessary. It is hoped that the principle of the bill will be approved and that second reading will be given tonight, so that if necessary it may go to a standing committee of the Senate for consideration tomorrow.

I have already said that there is considerable urgency that this legislation shall be passed as quickly as possible. The time limit for the making of applications is May 1 next, and many farmers are in great need of funds to carry them over the winter period. Advances cannot be made until their applications have been prepared, received and processed. I know that honourable senators have a great feeling of sympathy for our farmers on the prairies. I feel that they will give the bill careful consideration and, if it seems good to them, will see that it becomes law as soon as possible.

Hon. W. Ross Macdonald: Honourable senators, the honourable Leader of the Government (Hon. Mr. Aseltine) has given a very good explanation of this bill. I would say that, no doubt, his exposition was quite clear, but I myself am not a farmer nor a grower of grain, and I must admit that there are some parts of the bill which I do not fully understand. So, for my own benefit and the benefit of other senators who are in the same position, I think the Senate should insist that the bill be sent to committee in order that we may get information which even city men can understand.

May I ask the honourable Leader of the Government whether oats are included in this measure?

Hon. Mr. Aseltine: Wheat, oats and barley.

Hon Mr. Macdonald: I mention oats particularly because oats are the staff of life, and I feel I should say so today—

Hon. Mr. Brunt: Only for Scotsmen!

Hon. Mr. Macdonald: —because today is the birthday of Robbie Burns. And although I do not fully understand the bill, I think you will agree with me, and with Robbie Burns, that "A man's a man for a' that."

A question I would like to ask the honourable Leader of the Government is whether to date any advances have been made by the Wheat Board on the 1959 crop period.

Hon. Mr. Aseltine: I don't know whether I understand the question.

Hon. Mr. Macdonald: Probably I can clarify it and mention the reason I am asking it. The honourable Leader of the Government has said that there is great urgency to this measure, and that it applies to grain grown in 1959. Now, if no advances have been made on the 1959 crop, nobody has received any money.

Hon. Mr. Aseltine: That is not the case. Under the act which was passed in 1957 advances have been made by the Wheat Board on threshed grain which is still on the farms and has not been marketed, but no advance has been made by the Wheat Board on unthreshed grain. Such advances, in fact, are the sole purpose of this bill.

Hon. Mr. Macdonald: Would it be possible for the farmer to get some help in this direction from the Prairie Farm Assistance Act?

Hon. Mr. Aseltine: That act is applicable only in case of a crop failure. These farmers are far from having had a crop failure; in fact it is believed that when the wheat crop in the northern part of Saskatchewan and some areas of Manitoba is threshed in the spring, it will yield 50 bushels to the acre. More rain fell there than on the central portions of the prairies, but all these big crops are under the snow, and that is why advances are needed. I am told that in fact there is not very much old grain in store in those areas, and that the farmers are entirely dependent on the newer crop for money to get them through the winter.

Hon. Mr. Macdonald: Then, am I correct when I say that a grain farmer in the western provinces who has some grain threshed and on his farm can now obtain a loan under the Prairie Grain Advance Payments Act?

Hon. Mr. Aseltine: No, he gets an advance, not a loan.

Hon. Mr. Macdonald: He gets an advance?

Hon. Mr. Aseltine: Yes. He has to pay it back.

Hon. Mr. Macdonald: Can he also go to the bank and get a guaranteed loan on the grain on his farm that has been threshed?

Hon. Mr. Aseltine: Not until we pass the next bill. Bill C-35 deals with that.

Hon. Mr. Macdonald: He will then be able to do that?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Macdonald: Now, is there any other loan that he can get under any act which is now on the statute book or is likely to be put on the statute book?

Hon. Mr. Aseltine: The only act which is now on the statute book under which he can get an advance on threshed grain is the statute that I mentioned as having been passed in 1957, the Prairie Grain Advance Payments Act.

Hon. Mr. Macdonald: How much can he get under that act?

Hon. Mr. Aseltine: Up to $3,000, if he has enough grain.

Hon. Mr. Macdonald: Will he be able to get an additional $1,500 under this act?

Hon. Mr. Aseltine: I explained that in the last part of my remarks. The maximum that he can obtain under both acts—this and the other one—is $3,000, so if he has enough grain to get a cash advance of $3,000 under the 1957 act, he cannot get any under this bill. Also, he cannot get any money under these acts, as I understand it, until he has retired any other advances.

Hon. Mr. Power: What clause covers that last provision you mentioned? The only provision as to that that I see here is that it is limited to $1,500. I read that the provisional payment to a producer shall not exceed $1,500. Perhaps later on the bill speaks of $3,000?

Hon. Mr. Stambaugh: It does. Clause 6, subclause 4, says that the aggregate of a provisional payment to a producer and advance payments under the Prairie Grain Advance Payments Act shall not exceed $3,000.

Hon. Mr. Power: Oh, yes.

Hon. Mr. Macdonald: Then, am I correct in saying that the western grain grower will be able to obtain an advance under the Prairie Grain Advance Payments Act and under the bill which is now before us to a maximum amount of $3,000, together with a Government loan which he will be able to obtain under legislation which the Leader of the Government proposes to submit to this house in a few minutes?

Hon. Mr. Aseltine: No. These other advances have to be retired before he can get a loan.

Hon. Mr. Macdonald: I wish to thank the Leader of the Government for his explanation. Honourable senators, I am sorry that I asked so many questions, but I thought the answers to them might make the legislation a little clearer for some of us who did not understand it at first.

Hon. Mr. Connolly (Ottawa West): Can the honourable gentleman give an estimate of the expenditure under this legislation?

Hon. Mr. Aseltine: No, I cannot do that. I have no estimate, because it is impossible to state how much these crops will produce, what the yield will be under the snow. I imagine that if there are 100 million bushels involved and a loan is made on every bushel it could be figured out.

Hon. Mr. Beaubien: Honourable senators, may I ask the honourable leader a question? When this help was proposed for the western farmers whose grain was under the snow, I understand that there was an agreement entered into between the federal Government and the western provinces.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Beaubien: To the effect that the farmers would receive up to $6 an acre.

Hon. Mr. Aseltine: It is $3 an acre.

Hon. Mr. Beaubien: Are you sure it is not $6 an acre?

Hon. Mr. Aseltine: It is $3 an acre up to 200 acres.

Hon. Mr. Beaubien: Am I right in my figure?

Hon. Mr. Aseltine: I will explain it.

Hon. Mr. Beaubien: Let me finish my question first, please. And am I right in saying that in order to qualify under this general scheme of so much an acre the farmer had to have 50 per cent of his crop unthreshed and under the snow?

Hon. Mr. Aseltine: More than 50 per cent.

Hon. Mr. Beaubien: More than 50 per cent? Is that scheme in operation now?

Hon. Mr. Aseltine: I understand that scheme is working and has been working for some little time.

Hon. Mr. Beaubien: And the provinces are paying their 50 per cent?

Hon. Mr. Aseltine: Yes, and the federal Government is guaranteeing its 50 per cent.

Hon. Mr. Macdonald: I don't quite understand. Is that in addition to the provisions in the legislation we are now considering?

Hon. Mr. Aseltine: That is in addition, yes.

Hon. Mr. Macdonald: Is that payment being made in accordance with a statute now in effect?

Hon. Mr. Aseltine: There is no statute covering that. The dominion made the agreement with the provinces, and I understand that the amount required to meet payments under that agreement will appear in the estimates as a supplementary estimate.

Hon. Mr. Beaubien: Have the provinces passed any complementary legislation?

Hon. Mr. Aseltine: Not yet. The Saskatchewan Legislature is not in session.

Hon. Mr. Beaubien: But the Prairie provinces are paying their share without having passed any legislation, as far as I understand. Am I correct in that?

Hon. Mr. Aseltine: That is right.

Hon. Mr. Connolly (Ottawa West): Is there any estimate of the amount involved?

Hon. Mr. Macdonald: Is the dominion Government making these payments without the authority of Parliament?

Hon. Mr. Aseltine: They are guaranteeing the payments.

Hon. Mr. Macdonald: The dominion Government is?

Hon. Mr. MacDonald: It promised to do so.

Hon. Mr. Vaillancourt: It seems to be more than that.

Hon. Mr. Aseltine: The provinces are making the payments in the meantime, I understand.

Hon. Mr. Macdonald: And the dominion Government has guaranteed 50 per cent of them?

Hon. Mr. Aseltine: That is what it said it would do.

Hon. Mr. Macdonald: Can the Leader of the Government give us any idea of how much money is involved on the part of the dominion Government?

Hon. Mr. Aseltine: No, I have no information on that.

Hon. Mr. Macdonald: Honourable senators, it seems to me to be a most unusual proceeding for the federal Government to make payments of this kind without coming to Parliament and getting authority for so doing. If the Government is doing that, why is it bothering to come to Parliament with this bill? Why doesn't it proceed in the same way with this bill? All I can say, honourable senators, is that it is a most unusual proceeding, and I am surprised that the Leader of the Government passes it off as if it were an everyday event and nothing for us to take exception to. I take great exception to it and I am sure that the people of Canada, both in the east and in the west, will take great exception to it.

Hon. Mr. Aseltine: I do not think so. Honourable senators, I would like to read an article that appeared in the Saskatoon *Star-Phoenix* on this same point, which I received just yesterday. The article reads:

> It is true that the Prairie provinces are making substantial payments now under the federal-provincial acreage scheme. To suggest that there is a violation of the rights of Parliament because the federal Government, in a grave emergency, precommitted Parliament in the agreement with the prairie provinces is scarcely warranted. The federal Government's payment of its 50 per cent of acreage payments is, generally speaking, taken for granted. The federal authority's good faith is not in question in this particular situation.

Hon. Mr. Macdonald: It is just taken for granted by the present Government that this Parliament will put on the statute books whatever the Government wants put on. I am not objecting to the payments, but I am objecting to the method by which the payments are being made.

If this is an emergency the Government should have come to Parliament at the opening of the session and submitted to Parliament in the form of legislation the arrangements with the provinces respecting these payments. Why has the Government come to Parliament only with this so-called emergency legislation? It could have brought down in the opening days of the session similar legislation respecting the provincial agreements. But, no; it did nothing about them. In fact, we had to question the Leader of the Government very carefully to find out that these payments were being made. Now we are told, well, they are being made, and Parliament has no say in it.

All I can say is that I object most strenuously to the procedure and I still feel that the people of Canada as a whole will take the stand I am taking.

Hon. John T. Haig: Honourable senators, the province of Manitoba is probably in the worst position of the three Prairie provinces. We have suffered more from the weather this year than ever before in the history of our province. I don't think you have the picture clearly. Let me give it to you. They won't let the farmer take last year's dry grain to the elevators, because they are shipping the wet grain to the driers in order to get it dry so that it won't heat. It is for that reason the farmer is not allowed to get his dry grain into the elevators. I agree with what the elevators are doing in that respect; it is the proper thing to do.

Let me discuss one case. I drove out to a farm some 20 miles east of Winnipeg where a man has a mixed farming operation on

about 400 acres of the finest land that lies outdoors, land that ordinarily sells for $75 to $100 an acre. That man has some 26 cows from which he delivers milk to the dairies in Winnipeg. He said to me: "Mr. Haig, what I am going to do to get money to buy feed for my cattle? My feed is all under the snow. Is somebody going to lend me money?" Well, nobody is going to do that unless he happens to be in the Selkirk asylum.

There are dozens of farmers in my province in the same plight, and something has to be done for them.

The question about the part the provinces will play has been raised. Let me say that the senators from Manitoba feel—I am sure they all feel as I do—that this Government has done very well in getting the provinces to pay half the cost of assistance in this respect. This is a nation-wide disaster. It is not just one province that is involved, but three provinces. The same conditions could well apply to a disaster in any part of Canada. If, for instance, there was a disaster in the apple crop in the Maritimes, we would come to their assistance. We would not have the heart to refuse them. If you have never seen the type of disaster that has hit the Prairies, it is hard to tell you about it.

On Monday of last week a woman came to my office and told me her troubles. She said they had had little rain in the spring and the hay crop was light, and now their grain was under the snow. That woman milks six cows a day, and her husband drives the school bus to get a little money. She said if she could not borrow money to buy feed for the cows they would not give milk and the family would have no butter to sell and nothing to live on. She told me that she had been refused a loan by 12 others, that I was the thirteenth she had approached. She wanted to know what she was going to do. Well, what am I going to say to a woman in that situation? I know what you would say: anybody with a heart as big as an apple would say yes to her.

That is the position in which a great many people in the three Prairie provinces find themselves. And I would point out that these people are the backbone of our country. I drove through eastern Manitoba last year and saw grain lying on the ground under water. I saw sugar-beets under water. One farmer came out to me and asked, "Are you Mr. Haig?" I told him I was. He said, "Are you a senator?" I said "Yes." Then he said: "What are going to do for us? We have to have some help or we will be forced to move off our farms and go into Winnipeg, and the Government will have to keep us."

Honourable senators, that is the situation. I think instead of criticizing anybody we, as representing the federal Government, should be thankful that the provinces have come through and are paying half the cost. I would remind you that our provinces are not rich provinces; certainly Manitoba is not one of the wealthy provinces of Canada. The three western provinces are similar to the Maritime provinces in that respect. We need this legislation passed in order to keep our farmers on the land and give them a chance to try again. That is all I am asking for them, that we give them a chance. If this is the only crime that the Diefenbaker Government has committed in the past two years, or will commit in the next two years, I say, honourable senators, the people will not condemn them for it.

I can speak with some authority on this question, for, as I have said, I visited nearly all of Manitoba this fall. The situation as I describe it is general, with a few spots here and there that were not hit. But the fact is that the grain is cut and is lying on the ground covered with snow. The farmers can't even get on the land to cultivate their summer fallow for next year.

I am sure if we go into committee and the Minister of Agriculture comes there he will explain these bills sufficiently so that the dullest of us will understand. If you want to do that, then do it quickly in order that these farmers may have some relief. I am not a man who believes that the farmers should get everything in the world. I am a city man. I have been brought up in the city, but, at the same time, I know that the farmer is the backbone of the cities, and that if the farms fail the cities will fail also. I want to give them a chance. Here is one place where we, as Canadians, can do something which is really worth while for Canada.

The man in Alberta, the man in Saskatchewan and the man in Manitoba may come here and demand deficiency payments and all that kind of thing, but when they came here, I knew what they were up against. I knew the situation was bad. They could not get money from anybody. No one would lend them any money, and I am glad to see that the House of Commons has voted unanimously for these bills. That house put them through in no time at all.

I am not criticizing the honourable Leader of the Opposition (Hon. Mr. Macdonald). He was quite fair in saying he did not know about this problem, and that is understandable. If you were to talk about coal mining I would not understand it; I would be lost. In this case the need is very great and relief is needed right now. If we do it now the farmers will get back to work next spring

with ambition, especially the young men and young women. If we do not do something for them they will not stay long on the farms, they will drift away.

I ask you to adopt the suggestion of the honourable Leader of the Opposition and send this bill to committee. You will get the Minister of Agriculture there and he will tell you what they are doing, and also the Minister of Trade and Commerce, who is responsible for wheat sales. For those reasons I would urge this house to let the bill go to committee tomorrow, and let us pass the bill as soon as we possibly can and so give the farmers of our country a little encouragement.

Hon. Arthur W. Roebuck: Honourable senators, may I congratulate the honourable senior senator from Winnipeg (Hon. Mr. Haig) upon his usual eloquence and very forceful statements, but let me remind my honourable friend and the rest of the honourable senators here that the end does not always justify the means. That is a philosophy that has gone by. The honourable Leader of the Government has given us the impression, rightly or wrongly, that the Government, without authority, has made payments out of the public treasury for the relief of the farmers mentioned.

Hon. Mr. Aseltine: I did not exactly say that. I said that the provinces had been paying them, but that the federal Government had agreed to pay 50 per cent.

Hon. Mr. Roebuck: That, perhaps, is a little clearer, because if payments were made without authority I would join with the honourable Leader of the Opposition in condemning the act, no matter how great or good the motive might be. We do not have to proceed in that way. Governor General's warrants may be obtained in certain emergencies and there may be a payment without the consent of Parliament until Parliament meets, and perhaps there are other legal methods by which this can be done, but now, I understand, all the federal Government has done so far—and the honourable Leader of the Government will correct me if I am wrong—is to assure the provinces that it will ask Parliament for the grants necessary to reimburse the provinces a proportion of the money which they are now paying. Am I right in thinking that? Is that as far as the federal Government has gone?

Hon. Mr. Aseltine: I know only that the provinces are paying the money. I cannot go any further than that.

Hon. Mr. Roebuck: Have you not already told us that the federal Government has promised to pay a proportion?

Hon. Mr. Aseltine: My only reason for making that suggestion is that I saw it in one of the western papers.

Hon. Mr. Roebuck: But have you not caused us to understand that the dominion Government has promised to pay a proportion of the cost?

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Roebuck: Or has the Government guaranteed it? What is the situation? My friend must know more about it than he has told us. Is it a guarantee or is it a promise to pay?

Hon. Mr. Aseltine: That has nothing to do with this bill. That is apart from this bill altogether. This bill has only to do with the making of advance payments on unthreshed grain. That other is an entirely different matter.

Hon. Mr. Roebuck: That is different again. The matters which you say are being carried out now are under other legislation?

Hon. Mr. Macdonald: No, there is no other legislation. The honourable leader has said there is no other legislation.

Hon. C. G. Power: It has to do with an emergency.

Hon. Mr. Roebuck: There is another bill to come?

Hon. Mr. Aseltine: No, there is not another bill.

Hon. Mr. Roebuck: Of all the messes I have heard brought to this Parliament this is the worst. Can my honourable friend make this clear? I do not want to go home tonight, and I do not want the newspaper representatives to go home tonight, with the idea that something illegal and improper has been done, even if that impression is obtained only from the inefficiency with which we are being told about this transaction. Cannot my honourable friend clear this up?

Hon. Mr. Aseltine: I say to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) that that transaction he is speaking of has nothing whatever to do with this bill.

Hon. Mr. Smith (Kamloops): From what has been said I take it that this bill has nothing to do with the arrangement that has been made to grant assistance to a farmer who has over 50 per cent of his grain under snow and unthreshed and who, under the

arrangement that has been partly explained here, can get $3 an acre for up to 200 acres or a total of $600.

Hon. Mr. Aseltine: If he has more than 50 per cent of his grain unthreshed.

Hon. Mr. Smith (Kamloops): Yes, I understand that, but can that same farmer get an advance under this legislation if he has already had assistance? Another question I have is: Is that acreage assistance repayable, or is it a disaster payment?

Hon. Mr. Aseltine: I understand it is just a disaster payment. The other money paid under this bill, as I have explained, is all to be paid back. It is a loan.

Hon. Mr. Taylor (Westmorland): For my own clarification I would like to ask the honourable Leader of the Government this question: Is it true that the Government of Canada at this moment has not paid out any money under this proposed legislation?

Hon. Mr. Aseltine: Under this legislation?

Hon. Mr. Taylor (Westmorland): Yes.

Hon. Mr. Aseltine: No.

Hon. Mr. Taylor (Westmorland): Then, is it a fact that the dominion of Canada entered into an agreement with the provinces to provide 50 per cent of the money if the provinces would provide 50 per cent, and that until the legislation was passed the provinces would pay 100 per cent of it but that 50 per cent would be repaid?

Hon. Mr. Aseltine: That has nothing to do with this legislation at all. That is over and above, and in addition to, this legislation.

Hon. Mr. Macdonald: I understood the honourable leader to say that it is not put in legislative form.

Hon. Mr. Aseltine: I do not know that I can answer that except that I have not heard of any legislation to that effect. I understand it will be in the Supplementary Estimates.

Hon. Mr. Macdonald: I must say, honourable senators, I regret that the honourable Leader of the Government did not give us the full information when I asked him if there was any other legislation—probably I should not have used the word legislation—by which a farmer whose grain was under snow could benefit, other than the Prairie Grain Advance Payments Act and this bill which is now before us. He gave the house the impression there was no other payment.

Hon. Mr. Aseltine: No, I did not say that.

Hon. Mr. Macdonald: I say you gave the house that impression.

Hon. Mr. Aseltine: I said there was no other legislation I knew of.

Hon. Mr. Macdonald: I take my honourable friend's word that he said there was no other legislation. I am not going to say he was deliberately misleading the house, but the house was misled as a result of that statement, for as it now turns out the farmers can get a payment of up to $3 an acre if more than 50 per cent of their grain is under snow.

Hon. Mr. Aseltine: I thought everybody knew that.

Hon. Mr. Macdonald: Well, apparently nobody knew it except the honourable Leader of the Government, and I do not think he is too sure of it himself. I can only repeat what I have already said. I am not objecting to payment to these farmers and I agree with the former Leader of the Government (Hon. Mr. Haig) as to what he said as to need, but I do object most strenuously to the procedure which is being followed by the Government. I repeat that if the Government was able to bring down within a week of the opening of Parliament this bill and the complementary bill which is about to come before us, why could it not bring forth the other bill instead of having kept it quiet and away from us?

Hon. Mr. Brunt: What other bill?

Hon. Mr. Macdonald: Another bill with respect to the $3 an acre. Why could not the Government have brought that out at the same time? The Government has tried to keep it *sub rosa*, but now it has come up and we know that Parliament is being ignored so far as that is concerned.

Hon. Mr. Aseltine: I absolutely disagree with that. Honourable senators know what happened when acreage payment of $200 was made to each farmer in 1958. No bill was brought down for that. It was put in the estimates, and on the last day we met, in September 1958, the amount was voted and subsequently the money was paid out.

Hon. Mr. Macdonald: I do not recall when it took place, but two wrongs never make a right.

Hon. Mr. Roebuck: In 1958 the payments did not precede the authority to make them.

Hon. Mr. Bouffard: I do not know whether it would be legal for the Government to grant a subsidy of that kind to anybody. It may be, but at least before we vote on this matter we should know all about it.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Bouffard: We should know what amount is to be given to the farmers by the

provinces and by the federal Government. We should know just what grants are going to be given so that we may judge this bill properly. In my opinion the Government should give us all the details of the various grants, payments, subsidies, loans, et cetera, that it is going to provide under this legislation and other legislation, or in the estimates. If any bargain has been made between the provinces and the federal Government, I do not say I object to it. It may be quite all right, but it seems to me that we should know all about it before we vote on this legislation. That is all I have to say at this time.

Hon. J. Wesley Stambaugh: Honourable senators, I wish to make a few comments at this time and I will try to stick to the provisions of the bill. I was just about to suggest that 90 per cent of the discussion so far has been on matters entirely outside this bill. I will agree with the honourable Leader of the Government (Hon. Mr. Aseltine) that there is urgent need for this legislation and I would like to present the situation in Alberta, especially northern Alberta.

Conditions in the southern part of the province are somewhat similar to those in the area where the honourable Leader of the Government lives. Their harvest is from ten days to two weeks ahead of ours, and this year that was with fairly good weather. Most of the threshing has been done in that area, but I would say from Wetaskiwin clear north to Peace River the grain is at least 50 per cent unthreshed. In the district where I live it is about 65 per cent unthreshed, and about 50 per cent of it is uncut.

We do not use a binder any more in my district. If the grain was in stooks it would not be quite so bad, but because of labour conditions and modern machinery we use the combined harvester and the swather. It may be that honourable senators are not familiar with a swather. It is a sort of big binder that does not tie the grain in bundles. I have a swather which cuts a swath of 15 feet and puts the grain in a little area about three feet wide. We can cut from ten days to three weeks earlier that way. We can cut when the straw is green and it is good for cattle feed. A fairly large percentage of our grain is in the swath. This is particularly true of oats and barley, and the loss on oats and barley will be the greatest.

I have been farming for over 50 years now in Alberta, and this is positively the worst I have ever seen. The latter part of August and all of September was wet. It rained about every three days during this time, and later on we had snow. The land was wet and we couldn't get on it with our harvesters. We swathed part of our grain. I have about 50 acres of oats swathed and I think they will be a total loss. I am very doubtful that we will thresh any oats at all in the spring. For one thing, the crop was so wet that some of it had started to sprout before the frost came. I am speaking of the grain which was swathed earlier. If you try to pick up oats in the spring after they have lain out all winter, even if they have not been spoiled they will drop out of the hull and be lost. With barley the heads will drop off. I think 90 per cent of the oats and barley under the snow will be a total loss. The same is not true of wheat, however. Wheat is tough and straw is tough and the heads are tight and will hold the kernel. I once threshed wheat that was under snow all winter and the percentage of loss was not very great, about 10 per cent. Of course, that is loss enough, but it is nothing like total loss.

So there is urgent need for this legislation, which has nothing to do with the $600 advance some honourable senators have been talking about. This legislation is very similar to what was passed in 1957 with the same guarantees, the same method of giving it out and the same way of collecting it. It is not a handout in any sense of the word, for under the 1957 legislation, which provided advances to farmers, the loss was only one-tenth of one per cent, which is practically nil.

Hon. Mr. Connolly (Ottawa West): What did it amount to in dollars?

Hon. Mr. Stambaugh: Somewhere around $30,000. It is infinitesimal, I think that is the right word.

Hon. Mr. Brunt: That is a good one.

Hon. Mr. Stambaugh: That is the loan I was speaking of.

Hon. Mr. Isnor: What was the total loss and the total amount involved?

Hon. Mr. Stambaugh: Speaking from memory, I think the loss was about $30,000, and the total amount involved was about $30 million.

Honourable senators will remember that in 1957, when similar legislation was passed, I brought up the fact that it discriminated against the oat farmer. What we should do is, discourage the wheat farmer. The loss is going to be greater in oats, and a payment of 20 cents a bushel on three bushels an acre—60 cents an acre—is not enough, though it is better than nothing. That is my objection to this legislation. The rest of it is good; I am all in favour of it; but as far as oats and barley are concerned the amount provided for should be at least doubled.

I suppose that other legislation will come along at some future time, and we shall be

able to discuss the subject with honourable senators who ask about the $600 payment.

Hon. Mr. Roebuck: Before the motion is put, may we understand that it is the intention of the Government that the bill shall go to committee?

Hon. Mr. Aseltine: That is the understanding.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Aseltine: I move, honourable senators, that this bill be referred to the proper standing committee.

Hon. Mr. Brunt: Let us agree on that.

Hon. Mr. Aseltine: The chairman of the Banking and Commerce Committee is not here this evening.

Hon. Mr. Macdonald: We can always get a chairman.

Hon. Mr. Beaubien: As the bill involves money, why not send it to the Banking and Commerce Committee?

On motion of Hon. Mr. Aseltine, bill referred to Standing Committee on Banking and Commerce.

PRAIRIE GRAIN LOANS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-35, to provide for short-term credit to Prairie grain producers.

Bill read first time.

SECOND READING

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

Hon. W. M. Aseltine: With leave, I move the second reading now.

Honourable senators, this is the bill which I referred to in my remarks on Bill C-32; and I shall try to do better this time. I thought I was giving a pretty good explanation of the other bill.

Hon. Mr. Macdonald: We all did; and we are not qualifying that.

Hon. Mr. Aseltine: Under the Prairie Grain Advance Payments Act—the bill which was passed in 1957—all payments are made by the Canadian Wheat Board, which has power to make advance payments on wheat, oats and barley in store on the farm; but, in order to obtain that money, all persons whose names appear on the permit book, such as the producer himself, the man who owns the farm and maybe rents it to the producer, the vendor—who probably has sold the land on crop payments—and others having an interest in these crops, are obliged to sign the application or no advance will be given. As I understand it, the same principle applies to Bill C-32, to which we have just given second reading; but the payments under that measure, if and when it becomes law, will be made by the Canadian Wheat Board only on wheat, oats and barley, and only when all interested persons whose names appear in the permit book have given their consent. Sometimes it is quite impossible to secure these signatures. Perhaps they are away, or they do not understand. In such cases, under the provisions of the Prairie Grain Advance Payments Act and Bill C-32, the actual producer could not get any advance unless he could secure the signatures of all persons who were interested in the crop. Also, neither of the measures to which I have just referred makes any provision for advances to the actual producer of rye, flaxseed or rapeseed, so to take care of cases of that kind a further measure is required. So I am presenting for the approval of the Senate this bill, C-35, which provides for short-term bank credit to Prairie farm grain producers.

The short title is "The Prairie Grain Loans Act". It makes provision for a Government guarantee on short-term bank loans to Prairie grain producers who are in financial difficulties because of abnormal harvesting conditions during the current crop year. Under the proposed legislation loans will be available on the security of threshed and unthreshed grain, including wheat, oats, barley, rye, flaxseed and rapeseed. As I have said, the Wheat Board has no power to make an advance payment on rye, flaxseed, or rapeseed. A producer of any of these crops may obtain a guaranteed loan at any time before June 1, 1960. In determining the amount of the loan to an individual producer, the banks will take into account the estimated value of the grain which the producer expects to deliver before the end of the crop year. The maximum loan to any one farmer will be $1,500 and the actual loan entitlement will be based on one-half of estimated deliveries that the applicant expects to make before the end of the current crop year. As to repayment, the borrower will be required to assign to the bank one-half of the proceeds from the sale of his grain after the loan has been made.

Under this bill the Government will guarantee each bank against losses up to 25 per cent of the aggregate of loans made where this does not exceed $150,000, and up to 20 per cent in respect of the total of loans in

excess of $150,000. The ceiling on total guaranteed loans made by all banks will amount to $50 million.

This bill, providing for loans to the actual grain producer, complements the other proposed legislation authorizing provisional payments by the Canadian Wheat Board on unthreshed grain—wheat, oats and barley. Under the terms of the bank loans legislation, a producer may seek a loan not only on crops marketed through the Canadian Wheat Board, but also on rye, flaxseed and rapeseed, and the two measures taken together provide assistance to Prairie grain producers on a broad basis.

Hon. Mr. Beaubien: Will sugar-beet growers come in under this?

Hon. Mr. Aseltine: No.

Hon. Mr. Beaubien: I ask that because quite a number of them had their beets frozen in the ground.

Hon. Mr. Aseltine: No, they do not come under this. This covers only the six kinds of grain.

The bill sets out the manner in which an actual producer can obtain one of these loans. As they are short-term loans, the application must be made before the first day of June, 1960. The producer goes to a bank with his permit book, which contains full information as to the size of his farm and the different areas in crop or in summerfallow as the case may be, and gives the bank manager full information with respect to the estimated amount that he would receive from the sale of grain which he would expect to deliver if he were able to deliver and sell it at the time of the application. He also gives information as to the quantity of grain other than wheat, oats and barley he expects to deliver during the 1959-60 crop year. The bank manager then examines everything carefully. If he makes a loan, the amount of the same and full particulars are entered in the farmer's permit book, and there is also an entry providing that one-half of the proceeds in respect to grain delivered by the farmer who has obtained the loan will be paid to the bank in reduction of the loan until it is fully paid off. The amount of the loan the producer would be entitled to would be one-half the value of his estimated grain deliveries up to a maximum of $1,500, but the maximum loan would be reduced by the amount of the proceeds from previous deliveries made by the applicant in the crop year. It is provided, however, that if a producer owes money to the Wheat Board in respect of an advance payment or a proposed provisional payment, he is ineligible to receive a guaranteed bank loan. But he may become eligible if he discharges his obligation to the Wheat Board under the other two acts I have mentioned.

Hon. Mr. Macdonald: When do applications have to be made for a loan under this bill?

Hon. Mr. Aseltine: Before the first day of June, 1960.

Getting back to the explanation: he is then qualified for a subsequent bank loan, provided he has not already received total cash receipts for grain amounting to $1,500, in which case he would be able to borrow only the difference.

Under section 88 of the Bank Act a bank may take security on threshed grain, but not on grain which has not been threshed. Section 6 of this bill authorizes the bank to take security on both threshed and unthreshed grain, but the loan will not qualify for Government guarantee unless the bank takes security as provided in section 6. The bank has priority in respect of one-half of the proceeds of all subsequent deliveries of grain until the loan is paid in full.

This bill, for the reasons I have already mentioned, is necessary to supplement the provisions of Bill C-32 and is also of an urgent nature. It is hoped that it also will be approved in principle and given second reading tonight, and if necessary be referred to the Banking and Commerce Committee, to which Bill C-32 was referred.

Hon. Mr. Power: Is there urgency about this bill too? Is it an emergency measure?

Hon. Mr. Aseltine: It is emergency legislation, designed to take care of those smaller number of people who cannot qualify under the 1957 act or under Bill C-32 because, as I take it, they are unable to obtain all the signatures and that kind of thing.

Hon. Mr. Power: I would like to bet a few dollars that responsible officers of the bank who have charge under this act will be scrutinizing and checking applications for loans with the care required of them by the bank in the conduct of ordinary business. I do not think a bank manager will consider there is any emergency involved; he will take much longer than 24 hours to approve one of these loans.

Hon. Mr. Brunt: If he is a good bank manager he won't.

Hon. Mr. Power: Well, I wouldn't say there is much of an emergency about this.

Hon. John A. McDonald: Honourable senators, I am sure I will be expressing the sentiments of all members when I say that

it was with regret we learned of the serious losses caused to many farmers through having snow cover over their non-harvested grain last fall, and I for one will support this legislation in the hope that the farmers will be able to meet their obligations, that they will be able to plan for a good crop next year and be able to pay off their loans.

There is, however, one thing that I wish to point out, and that is that there are other primary producers throughout Canada than our friends in the Prairie provinces who suffered disaster in 1959. I would not be doing my duty if I sat here and did not tell Parliament of the great losses that were suffered by the fruit growers in my own home constituency in the Cornwallis-Annapolis Valley. They lost 20 per cent by two frosts, on the nights of October 21 and 22, and in that 20 per cent loss there was a large quantity of Delicious and Northern Spies, which are two of our best dessert varieties.

Now, I think that the fruit growers in the Cornwallis-Annapolis valley, even though they are fewer in numbers than the farmers in western Canada, have just as much right to be considered when loans are being planned to help people who have met disaster. I know that for some of these fruit growers the loss in comparison is just as great as the loss suffered by some of our farmer friends in western Canada. The fruit growers had planned on making a profit last year, because they had an excellent crop and a comparatively clean crop. But their anticipated profit was all gone after the two consecutive nights of frost.

But, honourable senators, I have a surprise for you: those fruit growers, so far as my knowledge goes, have not made applications for loans; they are endeavouring to work out the loss amongst themselves. That is something new in this day and age when people have become accustomed to going to the Government for help almost at any time and for any cause.

As I said last year, I think the time has come when we must cut down on our requests of governments, both federal and provincial. If we are going to get back to sound financing in Canada we have to stop making so many of these requests. I hope that the coming budget will be a balanced budget. However, I say that when the Government is planning financial assistance for those who have suffered disaster it should keep in mind not only the people who because of their large numbers are demanding loans, but also the smaller groups, such as to those to which I have referred. And there are other groups who lost money in 1959, some of whom have already been helped by the Government. I have in mind the miners and the fishermen of the Maritimes who have received assistance. We can only hope that the fishermen will be able to equip their boats with radio devices so as to avoid a recurrence of a disaster such as was suffered in New Brunswick.

As for the miners, may I just say that I hope that the Government will make an extra effort to find additional markets for coal which is being produced by those mines still in operation. It should be remembered that in the past few years the mining force has been cut by fully a third. When I was in the provincial arena we had 12,000 active workers in the mines; today there are about 8,000. I think also the Government should make an extra effort to use our own coal in this country. The taxpayers are now contributing more than $12 million by way of subsidy on freight rates to help carry coal to the markets of this country. Is it not possible that we can expand the markets for much of that coal? When I was in Halifax over the past weekend word came through that notices are again posted for layoffs in the mines in the near future. Such conditions create terrible hardships among many people. Some honourable members may ask, why do we not close down the mines? Well, a number of mines have already been closed down, particularly the less economic ones; and a lot of people who formerly mined coal are now engaged in other work. I know our Toronto friends have many such people employed in industry in their area.

There are a lot of farmers, besides the orchardists, who have suffered hardships. I refer particularly to the small farmer, or what we might call the marginal operator. Many marginal farmers have had to leave their farms and go into industry because they could not compete in this day and age when we have discontinued using manual labour to a large extent, have sold our horses, and must now buy expensive equipment such as tractors, heavy harrows, trucks and so on. These tools cost a lot of money. I make a special plea on behalf of the small farmers and the orchardists in my part of the country, in the hope that our lending agencies of both the federal and provincial Governments will realize that there is an urgency for the making of prompt loans when applications are received. After all, loans by lending agencies are of doubtful value unless the farmers have stock, equipment and those things necessary to make their farms economic units sufficiently profitable to pay off their indebtedness.

Let me refer to the annual monthly index numbers as published in the last issue of the *Economic Analyst*, which gives some indication of what the small farmer is up against.

Since 1956 prices of commodities and services used by farmers have increased from 247.6 to 273.5 in August of last year, while farm prices of agricultural products have advanced only from 234.5 to 235.9 in last October.

Surely no other evidence is necessary to illustrate that the farmers, especially the small operators who cannot afford to increase their acreage or use expensive machinery, are caught in this cost-price squeeze. Therefore, I am sure you will bear with me as I make a special plea to our Government loaning agencies to be a little more generous minded to these people so that they can make economic units out of what would otherwise too often be uneconomic units. Because, honourable senators, there cannot be found places where children can be brought up under better conditions with respect to their future welfare than many of the farms of this country. It makes me feel very badly when I hear of small farmers having to close up shop and, in too many cases, moving into the nearby cities where their working conditions, as well as living conditions for themselves and their families, are not nearly as good.

May I say a few words further about our orchardist friends down in Nova Scotia? What I am about to say applies equally to orchardists of Ontario and Quebec. The British Columbia orchardists have fared better, in that they have a better marketing system, which is what I wish to refer to. Here is another chance for the Government to be of help to these people, by seeing to it that the marketing regulations they already have are properly enforced. This applies particularly to the marketing of this last year's crop, because there were a number of so-called salesmen or truckers who went into the valley, bought apples as cheaply as they could from the farmers, and loaded them up. These apples had not been properly packed and they had not had the advantage of cold storage. They were taken into Halifax and Sydney and sold for whatever the truckers could get for them. It was not a regulated market, but an unregulated market.

There was a time during the Second Great War when we were privileged to enjoy regulated marketing through the Marketing Board. Many of us at that time expressed the hope that we would never have to go back to unregulated marketing, but we did, because the marketing board of that day made some mistakes. One of the mistakes—and I am sure it need never be repeated if we do go back to the central marketing system—was that it was a not too democratic organization. In work of this kind it is absolutely necessary for the producers to be kept informed of all that goes on, and to be able to take an active part in directing the marketing of their produce.

I hope, honourable senators, I will be excused for taking up so much of your time. I have to say that I approve of this legislation, with the one reservation expressed by the honourable Leader of the Opposition, that I am sorry the other legislation has not come along at this time. Albeit, there is a good reason for not bringing it forward at this time and we may get that in committee tomorrow morning.

Hon. Mr. Burchill: Honourable senators, it has been pointed out that this legislation is urgently needed, and after listening to the honourable senior senator from Winnipeg (Hon. Mr. Haig) tonight I understood it was going to fix up all his troubles. However, clause 4 of the bill reads as follows:

> The minister is not liable under this act with respect to guaranteed loans made before the 1st day of June, 1960—

Hon. Mr. Power: That clause refers to the 25 per cent and the 20 per cent.

Hon. Mr. Aseltine: You have to read it right through. You have to read subclauses (a) and (b).

Hon. Mr. Macdonald: It does say the 1st day of June.

Hon. Mr. Power: May I ask the honourable Leader of the Government what is meant by the reference to the part of the loan, or to the loans for which the minister is not liable? It reads:

> —twenty-five per cent of that part of the aggregate principal amount of the guaranteed loans made by the bank that does not exceed one hundred and fifty thousand dollars—

Does that have anything to do with a specific loan to a farmer of not more than $150,000, or does it have to do with a branch bank, because later on you see that the total that can be loaned by all banks is $50 million? If there are 10 banks, each could lend $5 million. If I understand it correctly the word "bank" here must mean a branch bank. I am just as confused about this as was my honourable friend when he explained the other bill.

Hon. Mr. Aseltine: No, I was not confused.

Hon. Mr. Power: What does it mean?

Hon. Mr. Macdonald: Honourable senators, the honourable Leader of the Government tonight has mentioned four bills, and I am not sure whether or not a farmer can take advantage of more than one of them. The honourable Leader of the Government mentioned the Prairie Farm Assistance Act. I

understand there has to be a complete loss before a farmer can take advantage of that act. Am I right in that?

Hon. Mr. Aseltine: That is not correct, no. If the yield is not over a certain number of bushels per acre he can qualify under that act for a certain payment, of which he has already paid a considerable amount on account because 1 per cent is deducted from the proceeds of all his deliveries to the elevator. That is entirely different from this legislation and has nothing to do with it.

Hon. Mr. Macdonald: Then, I am correct when I say he can take advantage of the Prairie Farm Assistance Act and also of the Prairie Grain Provisional Payments Act of 1960?

Hon. Mr. Aseltine: Yes, but if he was able to take advantage of the Prairie Farm Assistance Act the amount that he would get under these other acts would be infinitesimal. It would be practically nothing, because he would not have the grain.

Hon. Mr. Macdonald: Suppose a farmer has two farms; suppose he has one of 100 acres on which he can qualify under the Prairie Farm Assistance Act, and another of 100 acres on which he can qualify under the Prairie Grain Provisional Payments Act of 1960. Can he take advantage of each act without the relating of one act to the other?

Hon. Mr. Aseltine: I think that would depend on how far apart the two farms were. If one farm was in a drought area he might get it. If they were close together they would be taken together and considered as one operation.

Hon. Mr. Macdonald: May I ask this further question? Could he also qualify for payments under the hidden legislation that was mentioned earlier in the evening?

Hon. Mr. Aseltine: I object to that remark. There is no hidden legislation at all, and you know it.

Hon. Mr. Macdonald: I do not know what it is. I will withdraw the word "hidden" and say that he would not qualify under the legislation which has not come forward and about which the house is not informed.

Hon. Mr. Haig: I would advise the honourable Leader of the Opposition (Hon. Mr. Macdonald) that all the deliveries made by the farmers are kept on record, so a farmer cannot get a second payment. He can't get the applications in. I have tried to get them in—I quite honestly tell you that—and it can't be done. A farmer has come and said: "Why can't I get one in? I have had a poor crop." And I have replied, "Well, you can't qualify and there is nothing that can be done. Everything is on record at the elevator company." So nothing can be hidden there. That is the way they test whether a farmer is telling the truth or not. Unfortunately for us in Manitoba this business is handled in Regina. We have to write to Regina giving certain proof. We can prove that a farmer has only had so much of a crop but the authorities in Regina will write to the grain company which has full records. We can't get away from that. I had a half dozen farmers come to see me this year and I had to turn them down. I told them that there was no use writing because everything was on record.

Hon. Wishart McL. Robertson: Honourable senators, I have no intention of opposing this bill any more than the one that has just preceded it. I have a simple mind and, not being a lawyer, an accountant or a farmer, I have not the slightest idea of the details of this legislation, but I take comfort in the thought that I know as much about it as do most members of this house, and under these circumstances I will not object to passage of the bill.

There is one observation I would like to make at this time. I have listened to the description of the legislation and the urgency for it. The honourable senior senator from Winnipeg (Hon. Mr. Haig) tore at our heartstrings by telling us of the terrible conditions undergone by the farmers in his province. Well, I can only observe that there is something wrong with our whole economy when in the west a great industry like agriculture, which has formed so much of the backbone in the development of Canada, finds its individual participants in their present dire straits. The honourable senior senator from Winnipeg told us of a man farming on beautiful rich land. He had thirty cows producing milk for sale in Winnipeg, yet he found himself walking the streets looking for somebody to lend him $500. This sort of thing does not make sense and it points up a condition that is a disgrace to this country, that the individual participants in an industry which has contributed hundreds of millions of dollars to the wealth of this country should be placed in the humiliating position where, in the face of a temporary reverse, the ordinary facilities for securing credit cannot take care of their needs and they must come to Parliament to get even the most modest loan guaranteed. It is about time that our people should be able to do something other than apply to Parliament for individual guarantees.

The honourable senator from Kings (Hon. Mr. McDonald) has said that the farmers in Nova Scotia have looked after themselves in spite of the fact they suffered severely from

weather conditions. It is a good example for the west to follow, and those who are responsible for their welfare had better make sure that persons engaged in the industry get a larger share of the wealth produced.

Hon. Mr. Stambaugh: Hear, hear.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Aseltine, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, I wish to present some 18 petitions in divorce, which makes a total of 377 petitions presented so far.

Hon. Mr. Brunt: Would the honourable senator give the house an estimate of how many petitions he expects to receive this session?

Hon. Mr. Roebuck: There is approximately a month yet for the filing of divorce petitions. It is my hope that the presentation of these petitions has been more prompt this session than previously and that there is not a great backlog awaiting presentation. That is my hope but I have no knowledge at all of how many are still to come.

DOCUMENTS TABLED

Hon. Mr. Aseltine: Honourable senators, I table the following documents:

Copy of Order in Council P.C. 1960-38, dated January 12, 1960, designating the Minister of Public Works as the appropriate minister with respect to the National Capital Commission. (English text).

Report of the National Gallery of Canada for the fiscal year ended March 31, 1959, pursuant to section 10 of the National Gallery Act, Chapter 186, R.S. 1952. (English and French texts).

Return of Permits issued under the authority of section 8(5) of the Immigration Act, Chapter 325, R.S. 1952. (English text).

Exchange of correspondence between the United Kingdom High Commissioner and the Minister of National Health and Welfare regarding arrangements whereby it will now be possible for persons in the United Kingdom, formerly resident in Canada, to qualify, subject to certain conditions, for United Kingdom family allowances, retirement pension and unemployment benefit by virtue of their previous residence or employment in Canada.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES

Hon. J. W. DeB. Farris: Can the honourable the Leader of the Government (Hon. Mr. Aseltine) state when the motion which appears on the Orders of the Day for a humble Address to Her Majesty in regard to judges is likely to come up for discussion?

Hon. Mr. Aseltine: I am unable to answer the question.

Hon. Mr. Farris: Well, can the honourable leader find out?

Hon. Mr. Aseltine: It stands on the Order Paper for February 4. I will try to find out.

TRANSPORT AND COMMUNICATIONS COMMITTEE

SUBSTITUTION OF MEMBER

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

That the name of the Honourable Senator Smith (Kamloops) be substituted for that of the Honourable Senator Wood on the list of senators serving on the Standing Committee on Transport and Communications.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, January 26, 1960

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

Prayers.

PRIVATE BILL

UNITED CANADA INSURANCE COMPANY—FIRST READING

Hon. Léon Méthot presented Bill S-7, to incorporate United Canada Insurance Company.

Bill read first time.

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

Hon. Mr. Méthot: I move that this bill be placed on the Orders of the Day for second reading on Tuesday next, February 2.

Motion agreed to.

STANDING COMMITTEES

ADDITION TO MEMBERS

Hon. George S. White, with leave of the Senate, moved:

That the name of the Honourable Senator Courtemanche be added to the list of senators serving on the Standing Committees on Transport and Communications, Natural Resources and Canadian Trade Relations.

Motion agreed to.

PRIVATE BILLS

BRITISH AND FOREIGN BIBLE SOCIETY—FIRST READING

Hon. William R. Brunt presented Bill S-8, respecting the British and Foreign Bible Society in Canada.

Bill read first time.

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

Hon. Mr. Brunt: Thursday next.

CANADIAN PUBLIC HEALTH ASSOCIATION—FIRST READING

Hon. Harold Connolly presented Bill S-9, respecting the Canadian Public Health Association.

Bill read first time.

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

Hon. Mr. Connolly (Halifax North): Thursday next.

COMMITTEE MEETING

Hon. W. M. Aseltine: Honourable senators, the Chairman of the Standing Committee on Banking and Commerce (Hon. Mr. Hayden) has called a meeting of that committee for this afternoon to consider the bills which were given second reading last night. I would therefore move that the Senate do adjourn during pleasure, to resume at the call of the bell, at approximately 5 o'clock.

The Senate adjourned during pleasure.

At 5.10 p.m. the sitting was resumed.

PRAIRIE GRAIN PROVISIONAL PAYMENTS BILL

REPORT OF COMMITTEE

Leave having been given to revert to Reports of Committees:

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-32, to authorize provisional payments for the 1959-60 crop year in respect of unthreshed grain in the Prairie provinces, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Aseltine: With leave of the Senate, I move the third reading now.

Hon. W. Ross Macdonald: Honourable senators, it will have to be with unanimous consent. As far as I am concerned, I am glad to give that consent.

Hon. Senators: Agreed.

Hon. Mr. Macdonald: Honourable senators, I did want to say just a few words on the third reading of this bill to the effect that I think all honourable members have been in favour of it. We all sympathize deeply with the grain producers of western Canada in the loss they sustained in the late fall and early winter of last year when the snow came so suddenly and covered up their grain before they could get it cut. Then there was a clearing season, as I understand it, and some of the farmers got their grain partly cut, and then more snow came. It is very difficult indeed to farm under those conditions, and I want to assure the western farmers that as an easterner I sympathize deeply with them in their problems.

When this legislation was introduced into the Senate I had every intention, as I still

have, of giving it my wholehearted support. I regret, however, that more information was not given to honourable senators. I do not know why the information was held back, for there was no hostility to the bill in this chamber. I think it would expedite the work here, especially in matters on which we are in accord, if the fullest information were given at the earliest opportunity. Had that been done in the present instance this bill, I believe, would have gone through the house in less than an hour last evening. We did get additional information this afternoon; and all I can say is that, with the information we have—which, even yet, is not complete —I give the bill my wholehearted support.

Motion agreed to and bill read third time and passed.

PRAIRIE GRAIN LOANS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-35, to provide for short-term credit to prairie grain producers, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Aseltine: With leave, I move the third reading now.

Hon. David A. Croll: Honourable senators, I refrained from speaking on the previous bill, C-32, but I just want to let the house know that I, too, am disappointed in the line of action which has been taken, and more particularly in the debate which took place on this bill. I did not participate in that debate—I always feel that I am not knowledgeable enough on farmers' problems—but upon reading the debate I reflected that that should not have stopped me from participation. I was looking for the honourable senators who have always professed in this house to be the farmer's friends, and was very disappointed that not one of them, particularly from the other side of the chamber, raised the very important question of interest rates. This is emergency legislation to help the farmer, who was particularly hard hit. The purpose is to lift a burden off his back, yet no attempt has been made to fix an interest rate that he could afford to pay. Last session my honourable friends opposite took great credit to themselves when, under the Farm Credit Act, the Government fixed the interest rate on farm loans, guaranteed by the Government, at 5 per cent. The rate seemed a fair one, giving the farmer a reasonable opportunity of repayment, and we all agreed to it. The farmers borrowing under the Farm Credit Act were not in trouble; yet, as I say, provision was made for them to obtain loans at 5 per cent. But this bill applies to the farmer who is in trouble—lots of it—emergency, distress; such were the terms used in introducing this legislation; yet he must go to a bank, and the best arrangement he can make for a Government guaranteed loan is at 6 per cent interest.

Hon. Mr. Brunt: Do you think that is an exorbitant rate of interest?

Hon. Mr. Croll: Well, it is the utmost that he can legally be charged: that is all. He cannot be charged any more. I do not say it is exorbitant. The difference between 5 per cent and 6 per cent may not mean much to my honourable friend, but it means quite a bit to farmers. In any event, if we are trying to help them let us go all out in the attempt. We might even have subsidized a bit of that interest. I do not know how much money is involved or how much each farmer's loan will be—it may be in the neighbourhood of $1,000—but the principle is there. Whatever argument may be put forward for not having fixed a lower interest rate, I point out that we are not consistent. In one set of circumstances we do our best to give farmers a fair deal. In another set of circumstances—in this case—we stop debate on the Address, declare an emergency, bring in legislation to help farmers, and then in the final analysis we fail by not doing our utmost to help them. Let me ask, where can you get a 5 per cent Government guaranteed loan today? What better can you get? Yet in spite of that we are giving a 6 per cent Government guaranteed loan.

Hon. Mr. Brunt: Is the honourable senator sure the banks are going to charge 6 per cent on all these Government guaranteed loans? Have they stated they are going to charge this rate?

Hon. Mr. Croll: I rather like that question. I was afraid you were going to ask me, "How do you know the banks would loan at 5 per cent?" I am not sure of the answer to that, because I am not a banker. It occurs to me if the Government had inserted 5 per cent in the statute the banks would have loaned the money at that rate. They are not as hungry for the almighty dollar as some people allege them to be. They have co-operated on other occasions and I am sure they would have co-operated in this emergency.

Hon. Wishart McL. Robertson: Honourable senators, I too wish to ask a question. I would like to know if the Government has any assurance that the banks will lend, at any rate of interest, even under a Government guarantee. I ask that because, while I have had no personal experience along this line, I have heard of many instances of businessmen having federal Government bonds as security who could not borrow from banks at any rate of interest; they were advised to sell their bonds because the banks did not have the money to lend. So I ask what is the difference between a federal Government guarantee and a federal bond? If a bank would not lend money on the security of a Government bond, what are the chances of it lending any on a Government guarantee? I wonder if the Government has any assurance that the banks will lend at even 6 per cent in the existing tight money situation.

Honourable senators, as I understood the evidence in committee, the western farmers have a record of paying off their obligations 100 per cent. But what I would like to hear more about concerns the examples cited in this house last evening—and I had occasion to read about them afterwards in *Hansard*—examples cited by the honourable senior senator from Winnipeg (Hon. Mr. Haig), who undoubtedly knows as much about affairs in western Canada as anybody in this house. I notice that he is not in his seat at the moment. It saddens me that farmers have to come to the Government of Canada for guarantees of loans on such a large scale. The honourable senator gave three examples of distressing conditions among agriculturalists who I should have thought would be in reasonably fair circumstances. For instance, one owned 400 acres of land valued at $100 an acre, and he had 26 cows, whose milk was delivered to the city of Winnipeg. Yet he said to Senator Haig: "What am I going to do to get money to buy feed for my cattle? My feed is all under the snow. Is somebody going to lend me the necessary money?" Senator Haig's observation was, "Nobody is going to do that unless he happens to be in the Selkirk asylum."

The honourable senator said he had travelled all over the province of Manitoba and that the situation he described was a general one. He was not referring merely to isolated cases.

What has happened to the economy of the west when, as I said in my remarks last evening, millions, almost billions, of dollars have been distributed among the farmers engaged in grain growing, yet they now find themselves in a distressful situation? It is certainly not because assistance has not been given to them. I read in this morning's paper that Mr. Crump, President of the Canadian Pacific Railway, said the railways were spending $70 million in excess of their costs to carry wheat to the seaboard. Indeed assistance has been given to the farmers from all directions. Whether the amounts have been adequate or not, I do not know, but I cannot understand why it is that those engaged in a major industry such as grain growing should be in the direful circumstances that this request would indicate.

If the situation is as it has been described to us, I am in favour of giving assistance. But I would remind honourable senators that at the election two and a half years ago the voters in the west were evidently very much dissatisfied with the then Government, for they voted out all the members of that administration between the head of the lakes and the west coast. I would suggest that during the debate on the Address in reply to the Speech from the Throne the honourable Leader of the Government (Hon. Mr. Aseltine) and the honourable senior senator from Winnipeg (Hon. Mr. Haig), who I believe are the two members of this house most familiar with agricultural conditions in western Canada, should tell us what they think ought to be done to remove the necessity for farmers of the west applying to Parliament for financial assistance.

Hon. Gunnar S. Thorvaldson: Honourable senators, I had not intended to speak in this debate, but I am prompted to do so by what the honourable senator from Shelburne (Hon. Mr. Robertson) has just said, particularly his reference to the remarks made last evening by the honourable senior senator from Winnipeg (Hon. Mr. Haig).

I think it must be admitted that the honourable senior senator from Winnipeg referred to only three isolated cases of farmers in distress. I am sorry that I stepped out of the chamber for a few minutes, before his remarks were made, but as I read them in *Hansard* he referred to only three cases. Like other senators from western Canada, I have some knowledge of conditions in that area, and I do not think the assessment given by the honourable senior senator from Winnipeg is entirely an accurate one.

A couple of days ago I received from Winnipeg a copy of the Speech from the Throne delivered at the opening of the present session of the Manitoba Legislature. I have sent out for a copy of the Speech, and if it reaches me while I am still on my feet I will give the exact figures, but my memory is that it showed the value of agricultural production in Manitoba in 1959 exceeded slightly the value in 1958.

Honourable senators, I wanted to say this because it was my impression that during

the debate on this so-called emergency legislation—I will not say "so-called"; it is emergency legislation—we have received a somewhat distorted picture of agricultural conditions of western Canada. It is true that we have had this emergency in regard to grain; but those of you who take a good look at agricultural production statistics in western Canada must recognize that at the present time grain is only one of the factors in the agricultural economy of that part of our country. Indeed, in my own province of Manitoba—I have not the figures—grain is from year to year becoming less and less important in the whole agricultural picture. Although it is true that individual farmers have suffered loss resulting from the unusual weather last fall, the large majority of farmers have not been affected by those conditions. As we know, this emergency legislation is designed to help the individual farmers who have suffered loss. I do want to say that there should not be left in this house a false picture of agriculture in western Canada during the current year, or of the crops, by and large, that we have had. I make these remarks because I feel there ought to be some sense of proportion in our thinking on this problem.

Motion agreed to and bill read third time and passed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, January 27, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Department of Agriculture for the fiscal year ended March 31, 1959, pursuant to section 6 of the Department of Agriculture Act, Chapter 66, R.S. 1952. (English text).

Report on Activities under the Prairie Farm Assistance Act, for the Crop Year 1958-59, pursuant to section 12 of the said act, being Chapter 213, R.S. 1952. (English text).

Report of the Commissioner of Penitentiaries for the fiscal year ended March 31, 1959, pursuant to section 14 of the Penitentiary Act, Chapter 206, R.S. 1952. (English text).

NANAIMO HARBOUR COMMISSIONERS BILL

FIRST READING

Hon. Mr. Aseltine presented Bill S-10, to incorporate Nanaimo Harbour Commissioners.

He said: Honourable senators, the purpose of this bill is to establish a corporation to manage and develop the harbour at the city of Nanaimo in the province of British Columbia. The powers of the proposed corporation are similar to those of other harbour corporations established in the past.

Bill read first time.

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

Hon. Mr. Aseltine: It is proposed to go ahead tomorrow with this bill and the two harbour bills that are already on the Order Paper. Accordingly, with leave of the Senate, I move that this bill be placed on the Order Paper for second reading tomorrow.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 2 to 21 and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

GOVERNMENT-OWNED ICEBREAKERS

On the notice by Hon. Mr. Isnor:

That he will inquire of the Government:

What are the names of the Government-owned icebreakers used by the Department of Transport?

Give name of each icebreaker as used by the Department of Transport, and the place of operation as of January 19, 1960.

Hon. Mr. Isnor: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) when I may look forward to a reply to this inquiry?

Hon. Mr. Aseltine: Honourable senators, when inquiries are made of the Government we immediately ask the appropriate departments to run down the information. We inquire from them every day until we get the answers and I do not think anyone can do more than that. I shall be glad to furnish the answer to the honourable senator's inquiry at the earliest possible moment.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, January 21, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

Hon. W. Ross Macdonald: Honourable senators, on Thursday, the fourteenth day of this month, it was our privilege to be in this beautiful chamber along with diplomatic representatives and dignitaries from state and church when our newly-appointed Governor General, in the dress of a major-general, entered the chamber with his stately and dignified wife to open the Third Session of the Twenty-fourth Parliament of Canada. It was indeed a charming and picturesque scene, which will long be remembered by those of us who were here.

Many of us recall the misgivings which some Canadians had when, in 1951, the Right Honourable Louis St. Laurent suggested to His Majesty King George VI that a Canadian-born citizen be his personal representative in Canada. That was a break with tradition which, some felt, would result only in weakening the ties which bind the commonwealth together. The last nine years have shown how right were those who agreed with the then Prime Minister, and how wrong were those who took a different view. Never have Canadians been more conscious and more proud of being members of the great Commonwealth of Nations than they are today. Our first Canadian-born Governor General, the Right Honourable Vincent Massey, relinquished his office after having served

his country with a charm and dignity equalled but never surpassed by any of his distinguished predecessors.

The present Governor General assumes his high office with the good wishes of Canadians from coast to coast. He has served his country well both on the field of battle and in the field of diplomacy. He is a man of great distinction and, at the same time, of great modesty. I am sure we were all deeply impressed with the opening sentences of the Speech from the Throne, which were probably written by himself. May I be permitted to read them? His Excellency said:

> I am happy to greet you as we meet for the first time at the opening of our Parliament.
>
> My appointment as the representative of Her Majesty the Queen in Canada is an honour which moves me profoundly. I invoke Divine help to guide and strengthen me that I may serve well the Parliament and people of Canada in carrying out the trust confided to me by the Sovereign.

The Governor General then proceeded to read the remainder of the Speech from the Throne which, according to custom, was prepared by the Government and sets forth the Government's appraisal of conditions throughout the world and in Canada and also some of the main legislative proposals which the Government has in mind. I am sure we were all impressed with the ease with which His Excellency read the Speech in both English and French. While he was reading it in French the thought occurred to me that in this bilingual country there are comparatively few English-speaking Canadians who can both converse and read in the two languages, while on the contrary the majority of our French-speaking Canadians speak with equal fluency in either tongue. I use the expressions "French-Canadian" and "English-Canadian", honourable senators, merely for differentiation, for, after all, we are all Canadians. I do not need to go beyond the confines of this house to find Canadians who come from districts where French is the language employed from day to day but who speak equally well in English. For example, there is our esteemed Speaker, who is equally eloquent in both French and English.

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: I could name other senators who have a similar command of both our official languages; and I must admit that sometimes it puts me to shame when I think how inadequate is my knowledge of that language which was spoken by those who first set foot on this soil. I am glad to say, however, honourable senators, that more English-speaking Canadians are beginning to acquire not only a writing knowledge but a speaking knowledge of French. At the present time there are three television programs and one radio program which have large audiences in many sections of English-speaking Canada. Also, in my own city of Brantford and in other cities there are classes in French which are being attended by eager and enthusiastic audiences of all ages, from the pre-kindergarten to the post-seventies. We have in Brantford a number of citizens who have gone beyond the age of three score years and ten who are starting to acquire a knowledge of French.

The radio program to which I refer is entitled *Time for French*. It is a purely instructional program and it is heard over the C.B.C. on Saturdays at 1.30 p.m. Honourable senators might like to follow some of these programs.

Two of the television programs are also for instructional purposes. One entitled *Chez Helene,* is heard at two o'clock, five days a week over the C.B.C. and is for children of pre-school age. It is very simple French, but I find it quite interesting to follow.

The other program is entitled *Speaking French*. It is heard on Saturdays only, at 6 p.m. and it is conducted by Professor Vinay of the University of Montreal and Sir George Williams University, assisted by Miss Phyllis Clapperton.

I can recommend these programs to honourable senators who are interested, as I am, in acquiring a knowledge of the French language.

Another very good French program on television which I hear when I am at home in Brantford, over channel 11, from Hamilton, is entitled *Joindre les deux bouts*. It is sponsored by the *caisses populaires* and is a rebroadcast of a program originating in Montreal. It can be followed by advanced students in French, and it is appreciated especially by French-speaking Canadians living in the vicinity of Brantford and in the Niagara peninsula.

Honourable senators, I wish to congratulate the Canadian Broadcasting Corporation and these other stations for giving our English-speaking audiences an opportunity of obtaining a knowledge of that language which is not generally spoken in the district in which they live.

May I take the opportunity to say how pleased I am and how pleased we all are to see you, Mr. Speaker, back in your accustomed place. We know that while you continue to preside over the deliberations of this house the dignity and decorum of Parliament will indeed be maintained on a high plane.

We are also very pleased to see the Leader of the Government (Hon. Mr. Aseltine) back in his place, in his accustomed good health and spirits.

Hon. Mr. Aseltine: He is almost *hors de combat* today.

Hon. Mr. Macdonald: We know that under his leadership legislation and the business of the Senate will be brought forward and advanced as rapidly as possible, but at the same time without undue haste and without any effort on his part to prevent the fullest discussion of all legislation both in this house and in committee.

Honourable senators, during the last year the Senate has been capably represented at various parliamentary international meetings, and I trust that from time to time throughout the session those who have represented the Senate will give to this house an account of what took place at their meetings and their impressions of what they saw and what they heard.

I would, however, like to refer to the Canadian delegation to the United Nations. That is perhaps the most important of all international gatherings. Decisions affecting not merely one or two countries but the peace of the world are made at the meetings of the United Nations.

I would like to point out, honourable senators, that at the last assembly there were representatives present from 82 nations. Canada was entitled to 12 Parliamentary representatives, and—take note of this—all of them, with one exception, were chosen from the House of Commons. The senator appointed to represent this house was our distinguished colleague the honourable senator from Mille Isles (Hon. Mr. Monette). Unfortunately he was unable to remain throughout the meeting of the Assembly, and another equally distinguished senator, the honourable gentleman from Shawinigan (Hon. Mr. Méthot), was selected to take his place. But when that distinguished senator found it impossible to remain at the United Nations, what happened? Instead of appointing another senator to fill out his term, the Government appointed a member of the House of Commons. So for at least a portion of the time the United Nations was in session the Senate had no representative there at all.

I feel that when the original delegation was appointed there should have been at least two representatives from the Senate, one of whom might have been chosen from the Opposition side.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Macdonald: Early last year I brought this matter to the attention of the Leader of the Government (Hon. Mr. Aseltine) and I know that he made representations on behalf of this house. Since then there has been a change in the ministry in the Department of External Affairs. I am sure, Mr. Speaker, that if you join with the Leader of the Government in representations on our behalf the present Minister of External Affairs will not be able to resist them, with the result that at the next meeting of the United Nations the Canadian delegation will include at least two senators.

Honourable senators, will you allow me this opportunity of welcoming to this house our newly-appointed members?

Although women claim no special privileges in the Senate I claim the privilege of welcoming first the newly-appointed woman member. It was not my privilege to have made the acquaintance of the Honourable Senator Olive Irvine before she came to this house, but I read in the press that, like many distinguished Canadians—indeed, like many other members of this house—she for a time taught school. She also has taken a great interest in the beautification of Ottawa and was for a time a member of the National Capital Commission.

The honourable senator is the seventh woman to have been acknowledged to be a person within the meaning of the British North America Act and therefore eligible to sit in the Senate. She will find here five other women, all of whom have made outstanding contributions to the work of the Senate, both in the house and its committees. They join, I am sure, with all other senators in extending to our newly-appointed woman senator a very hearty welcome.

(Translation):

It is with the greatest pleasure that I welcome to the Senate the Honourable Henri Courtemanche who, until recently, was Secretary of State for Canada. I regret that the honourable senator is not in his seat at the moment. From 1949 to 1953, I had the privilege of sitting with him in the House of Commons where he showed great talent as a parliamentarian in the ranks of the Opposition. I am sure that, on the Government side, he will be equally successful in the Senate. He is a distinguished member of the Quebec Bar where he has made a name for himself. He is now the youngest member of the Senate and we trust that, in the very distant future, he may be one day its oldest member.

Last Thursday he moved the Address in reply to the Speech from the Throne in an impeccable and harmonious French which was admired, if not understood, by his English-speaking fellow citizens. I congratulate him most cordially and trust that, as he is perfectly bilingual, we will soon have an opportunity of hearing him express himself in English with equal facility.

(Text):

Honourable senators, having congratulated the mover of the Address in Reply to the Speech from the Throne, I now wish to welcome and congratulate the seconder of the motion, the Honourable Frederick Murray Blois who, unfortunately, is also unable to be in his seat today. The honourable Senator Blois is a man of wide experience both in public and in legislative matters. Immediately before being summoned to the Senate he was Executive Assistant to the Minister of Highways of Nova Scotia, and for a number of years prior to that time he had been Leader of the Opposition in the Legislature of that province. Doubtless his experience there will stand him in good stead as a Government supporter in this house. His speech on Thursday last was a very interesting one, and he left no doubt in the minds of any of us as to the outstanding contributions which citizens of his province have made to the cultural, political and business life of Canada. We are indeed happy to have the new senator with us.

Honourable senators, the proposers of an Address in Reply to the Speech from the Throne have had a very difficult task this session, because the Speech was without doubt a great disappointment, not only to parliamentarians, but to the public generally. Newspaper editors have not failed to express their disappointment. The editor of *Le Droit*, in the issue of January 15, set forth the feeling which is generally prevalent in the country. I do not intend to read the editorial, but I would like to mention its heading. It is entitled *Déception*. Though that word has other meanings, I understand in this instance it means "disappointment". That editorial begins in these words:

(Translation):

The Speech from the Throne read by the Governor General yesterday afternoon in the Senate chamber is one of the most disappointing which we have ever perused.

(Text):

The editorial sets out reasons for the disappointment, but it is not my intention to go into them at this time.

The Speech from the Throne is noteworthy, not for what it contains, but for what it leaves out. For instance, there is no mention of unemployment. One would have thought there would be some reference to that question in it, especially in view of the fact that as of January 7 last there were 722,834 Canadian citizens unemployed, or about 6 per cent of our working population, compared with 749,556 at the same time last year, or about 7 per cent of the working population at that time. Some may say that these figures are exaggerated, that they should be 549,000 and 574,000 respectively. Honourable senators, whichever figures you choose, you will still find that there are only 25,000 fewer unemployed in Canada today than a year ago.

Hon. Mr. Roebuck: May I ask, are those not the figures only of persons who are registered as unemployed?

Hon. Mr. Macdonald: I have quoted both figures, those who are drawing unemployment insurance and those who are registered as seeking work. That is why I say some honourable senators may think that the figures should be lower than those I first quoted.

Hon. Mr. Roebuck: Some say they should be higher.

Hon. Mr. Macdonald: Some may think they should be higher. I take the middle course, not too much to the left, not too much to the right, just intermediate.

Hon. Mr. Hayden: Just medium.

Hon. Mr. Macdonald: Yes. I was saying what I thought some honourable senators were thinking.

I was pleased to note that the seconder of the motion for an Address in reply was bold enough to refer to the question of unemployment, even if the Government of the day thought it better to leave any reference to it unsaid. Leaving any reference to it unsaid this session is quite different from what took place last session, when, as I pointed out, there were only 25,000 more unemployed than this year. In the Speech from the Throne at the opening of last session there was this statement:

My Government has taken action to reduce unemployment by expediting national works programs—

That was last year. The unemployed today are asking, what is the Government doing about the problem this year? The answer may be: well, most of you are on unemployment insurance.

Honourable senators, on any scale of unemployment much higher than at the present time, the Unemployment Insurance Fund could quickly disappear. We have seen what has happened to it over the years. Please note these figures: on December 31, 1956, about three years ago, the fund stood at $926 million; at a similar date one year later it had shrunk to $625 million; and by the end of last year it had dwindled to $471 million.

With the permission of the house I would place on *Hansard* figures showing the balance to the credit of the fund as of December 31 in each of the years from 1955 to 1959. Honourable senators will note that as of the end of last month the fund stood at about half of what it was at the end of 1956.

Year ending:	Balance at credit of fund:
December 31, 1955	$890,857,489.63
December 31, 1956	926,776,830.22
December 31, 1957	877,470,144.39
December 31, 1958	625,363,366.21
December 31, 1959	471,094,255.96

Notwithstanding the increased rates that were put into effect last year, it is clear that the fund is not even now on an actuarially sound basis, and that it can only continue to deteriorate should unemployment increase or remain at noticeably increased numbers for any considerable length of time. I believe that unemployment is one of the most important questions with which we have to deal at the present time. We are thinking little about it because we feel that there is unemployment insurance behind the worker which protects him when he is out of work. Mark my words, honourable senators, if unemployment increases this year, next year, or the year after, there will be not much left in this fund.

Another glaring omission from the Speech from the Throne is any reference to tight money. You will recall that one of the main planks in the election of this Government to office two years ago, and one of the slogans, was: Elect us and your tight money problems will disappear like dew before the sun. But what have we got today? We have the tightest money and the highest interest rates in the history of the country, and money is becoming tighter, and interest rates higher, every day. Who suffers from this? Everyone, and in many ways. We have higher federal taxes, higher provincial taxes and higher municipal taxes. In practically every city and town in Canada taxes are being raised. If a tax rate last year was 45 mills, the chances are it will be nearer 50 mills next year. But even with this higher tax rate many cities and towns cannot borrow money to meet their most pressing needs. The seriousness of this problem was emphasized the other day by Mayor Robert Simpson, President of the Canadian Federation of Mayors and Municipalities. From the Brantford *Expositor* of January 20 last I will quote part of the report of a meeting at which he spoke:

> It may be necessary for municipalities to "strike" and stop all capital programs if the interest rates on capital expenditures continue to rise, the President of the Canadian Federation of Mayors and Municipalities said here last night.
>
> He said he thought the interest rate on capital expenditures was "definitely going to go up" but that most municipalities had reached the limit of their borrowing powers.
>
> The temper of the people has also changed, he said. "They are getting to be a little vicious."

This is rather strong language honourable senators. Nevertheless, it does emphasize the problem with which the municipalities are being faced. You may ask me what has happened to all the money that previously was available for bonds. Well, we know that during the last year the federal Government has taken up about 60 per cent of all available money; the provincial Governments have taken what they could of the balance, and after industrial issues had been provided for there was very little left for the municipalities. Some of them, if they have not already gone to the United States to borrow money may be forced to do so. The Governor of the Bank of Canada has warned against that, and I join with him in that warning; but in the interests of health, education and the general well-being of our fellow citizens a source of money must be provided from which our municipalities can borrow to meet the capital expenses which every municipality is faced with today for such things as sewers, water, schools, hospitals, bridges, streets, et cetera.

Honourable senators, there will be a dominion-provincial conference in the near future. I realize that many very serious problems will come before that conference, but I do trust that one of the items near the top of the agenda will be consideration of the plight of our municipalities.

Hon. Mr. Roebuck: Would that include the banks and other financial institutions?

Hon. Mr. Aseltine: They are not in any plight.

Hon. Mr. Macdonald: No, I am referring to the conference which will take place, I understand, in Ottawa within the next few months between representatives of the provinces and representatives of the dominion. It is at that conference that I hope the provinces and the dominion will not forget the municipalities in this hour of need, because there is a great need.

Hon. Mr. Farris: Is the honourable senator suggesting that the banks are in some predicament?

Hon. Mr. Roebuck: No, the banks are having a lovely time, and so are other financial institutions.

Hon. Mr. Macdonald: I have been talking about the plight of the municipalities, and I cannot emphasize it too strongly. I must also make reference to the needs of the provinces. They are not getting their money very easily. They have to wait until the dominion Government takes up all the money it wants for bonds. The province of Ontario did expect to get quite a large additional amount after it gave such great help toward

the election of this Government. During the last election Ontario was promised that it would get at least $100 million more a year. Has it got it? No; far from it. What it has got is high interest rates. The failure of the Government to carry out the promise to Ontario can result only in one thing, increased taxes in Ontario, and unless all the provinces can somehow get more money there are going to be increased taxes in all of them.

The Provincial Treasurer of Ontario, the Honourable Mr. Allan, has not been backward in saying what is going to be done in his province. Speaking at Hamilton the other day he made it abundantly clear that Ontario would either have to get more money from the federal Government or increase provincial taxes. More recently, the Finance Minister of Quebec, the Honourable J. S. Bourque, speaking at Montreal, stated that that province also would have to get more money. I will read just a few sentences from his remarks:

> Our provinces and even our municipalities are forced to borrow on the United States market to obtain the funds necessary for essential purposes, thus creating a serious liability for the Canadian currency and involving risks of exchange losses.

That is what is happening in two provinces. We sympathize with them, and we do regret that the Government has not carried out its promise to give the provinces more money. If it is not able to do it, and if it knew it would not be able to do it, why did it make the promise? Of course, that was only one promise it made. It will not be long before the provincial and municipal Governments rise up and remind the federal Government of the tortuous path of broken promises to them which has followed since it came into office.

Honourable senators, there is another glaring omission from the Speech from the Throne, and that is any reference to defence. As honourable senators know, the present Government came into office in the summer of 1957. This is the fourth Speech it has prepared for delivery at the opening of Parliament, and it is very noticeable that this is the first time any reference to defence has been omitted. I have the quotations from the previous Speeches and if the house will bear with me I will read them. In the fall of 1957 the Government said in the Speech from the Throne:

> My ministers believe that Canada's active participation in the North Atlantic Treaty Organization is essential for the preservation of peace. You will accordingly be asked to maintain modern defence forces in being which, together with those of our allies, will continue to act as a deterrent to attack upon any part of that alliance.

In the 1958 Speech from the Throne the Government said:

> —my advisers will ask your support to maintain, in co-operation with our allies, armed forces adequate to deter any potential aggression.

In 1959 the words were:

> You will be asked to provide for maintaining the effective power of Canada's defence forces.

This session people are asking: Why is there no reference to defence? Has the Government a very good reason for not having mentioned defence? Can it be that the Government intends to reduce drastically our defence spending? What is the Government's policy on disarmament? It is significant that by omitting from the Speech from the Throne any mention of defence the Government does not commit itself to any defence expenditures this year. Does this mean that Canada may be considering going it alone in the matter of disarmament? Does it mean that Canada, admittedly unable to defend itself against the forces of powerful nations, is going to rely for its defence entirely on the United States? These are only some of the questions which the people are asking.

The omission from the Speech from the Throne of any allusion to defence has raised all kinds of doubt. People are beginning to doubt whether the Government has a policy on defence. If it has such a policy, let it take the people into its confidence. Let it be forthright. The feeling throughout the country is that on questions of defence the Government has no clear-cut policy; that it is wavering; that it is vacillating; that there is a difference of opinion in the cabinet as to whether we should arm more or arm less, or whether we should arm less for defence and more for offence, which some claim in modern atomic warfare is the only sure defence. All this is very confusing and disturbing and calls for a forthright statement from the Government at the earliest opportunity. The people would like to know just where the Government stands and what it proposes to do about defence.

We learned with interest that the Government proposes to set up a committee on defence. Just what the powers of that committee will be we do not know, but it seems to me that a committee of that importance might be a joint committee of members from both houses. I have a special reason for suggesting this. I have made other suggestions to the honourable Leader of the Government (Hon. Mr. Aseltine) which he has advanced to the Government and which the Government has accepted. At this time I suggest very seriously that any special committee set up on defence should be a joint committee. The main reason for my suggestion is that on both sides of this house there are

members who are especially well qualified to sit on such a committee. For instance, one honourable senator who could contribute much to the work of such a committee is a former Minister of National Defence. He would be a great acquisition to the committee. We also have an honourable senator who was Chairman of the Committee on Defence Expenditures in the other house. He had an excellent record in the last war—both in the ranks and as an officer. Another honourable senator held a very important administrative post in connection with our war effort. He is well qualified to sit on any defence committee. I see another honourable member of this house who had a distinguished war record and has since achieved a distinguished record in the business world.

I am sure that if, the committee on defence were made a joint committee these men would contribute greatly to its work. I understand the committee will not be a large one and we would not expect a large representation from this house. It will deal with a non-political matter and I should not think it would be necessary to have a larger representation of those who support the Government in the Senate than of those who are supposed to form the Opposition. I mention this to the Leader of the Government in the hope that he will bring it to the attention of the Government. I repeat, I am satisfied that if these men were appointed to the committee the Government would benefit from their assistance.

Honourable senators, there is only one more matter which I should like to mention. The Speech from the Throne makes this reference to international trade:

> International trade is one of the chief bases of Canadian prosperity and must continue to be a major interest of this Parliament.

No one will disagree with that statement, but I trust that the interest of the Government will be productive of better results this session than it was last session. The Speech from the Throne last session stated:

> In response to suggestions put forward by my Government a Commonwealth Trade and Economic Conference was held in Montreal last September.

Honourable senators will remember that conference, which was attended by the Minister of Finance and the Minister of Trade and Commerce and received such glowing headline publicity. I would like to ask the honourable Leader of the Government just what far-reaching decisions there have been on the part of the United Kingdom to remove restrictions on imports. What restrictions have been removed, with the exception of quotas? Have any customs tariff reductions been made as a result of that great conference? I would also like to ask him to what extent our trade with the United Kingdom has increased as a result of that conference?

Of course, honourable senators, the facts speak for themselves and they are a disappointment. Let us first consider the position of our exports; and when considering these figures let us not forget the promise of the Prime Minister on assuming office that he was going to divert at least 15 per cent of our trade with the United States to the United Kingdom. We must keep that in mind. It is very gratifying that exports for the year 1959 to all countries reached the impressive total of $5,179,600,000—over five billion dollars—but, notwithstanding that promise of a 15 per cent diversion, by far the greater part of that gain was due to our increased exports, not to the United Kingdom, but to the United States. Our exports to the United States increased by $292 million, while those to the United Kingdom increased by only $16 million.

As far as imports are concerned, unfortunately only the figures for the first nine months of last year are available, and as there is apt to have been a favourable change within the last three months it would be unfair for me to compare the total with the figures for the previous year. Statistics for the nine-month period do, however, show that imports from the United Kingdom during that time increased by the infinitesimal amount of one-fifth of one per cent. Another fact which appears, and which we regret, is that during that period Canada had a tremendous deficit in overall trade.

Another question I should like to ask is, what has the Government done to implement its promise, given either directly or by implication to manufacturers, that it would increase our customs tariffs? Will anyone tell me that such a statement was not made during the last election? The Prime Minister, as reported in the Hamilton *Spectator* of May 14, 1957, while speaking at Guelph indicated that it was time to set up protection for many manufacturing companies which were being forced to the wall. Promises to the same effect were made in other industrial centres in whose factories great numbers of textile workers are employed. But, like many of the Prime Minister's promises, they have faded into thin air. What I would like to ask particularly is, has the Government renounced its policy, which in the days of Sir John A. Macdonald received the grandiose name of "the National Policy"? Has it gone back on that policy of high protection, and does it now admit the soundness of the Liberal policy of low tariffs and a free flowing of trade? Let the Government say what its policy is. Or has it too many advisors? Is it vacillating between high protection, tariff for revenue,

and free trade? At the present time the business world is in a quandary. It knows not what the Government may do tomorrow in connection with trade. Business can make no long-range plans. It is about time, in the interest of the well-being of our citizens, that the Government announced in no uncertain terms its policy on trade and tariffs.

We read a great deal these days about the Common Market and a Free Trade Area, and we are informed now that the Government is about to take—in fact, about a month ago began to take—an interest in these two European markets. Today we see in a paper the headline "Inner Six Relations Eyed Here", and this report:

Canada may soon establish diplomatic relations with the six-nation European Common Market, reliable informants said today.

The dispatch is from London, dated January 26, 1960. After the Common Market has been in existence for more than a year the Government is approaching it. Other Governments—Australia, New Zealand, the United Kingdom—have had diplomatic representation there ever since its creation. What has Canada done? Canada sat back and did nothing. Will anyone say it was not warned? All I need to do is to remind honourable senators of the warnings which were given in this house as long ago as November 19, 1957, when the honourable senator from Shelburne (Hon. Mr. Robertson) formally drew the attention of this house to:

the desirability of Canada following the example of other nations of the Western world in seeking to enlarge her trading area to those countries whose governments are prepared to wholeheartedly co-operate in achieving the maximum economic benefits to all concerned.

On May 28, 1958 he said this:

I believe that the only way we can reduce the cost of living and solve our other economic problems is for Canada and the United States to follow the lead of those NATO partners who have already joined the European Free Trade area.

And, on January 28, 1959:

It remains, strange to say, that Canada, the foremost advocate of economic co-operation, and the fifteenth and only remaining member of NATO, as far as I know is taking no action whatsoever.

Apparently, honourable senators, some action has been taken. It may be too late. But, I suppose, better late than never.

Other honourable senators made speeches in this house similar to those of the honourable senator from Shelburne. But, oh, they were not important! I assert, honourable senators, that these men did know what they were talking about. The Government has had this warning, and I hope it will now go forward with all confidence, knowing that both Houses of Parliament and the people of Canada expect it to develop Canadian trade to the highest possible extent, not by restrictions but by encouraging the free flow of trade.

I come now to the close of my remarks. I would remind the house that we have now entered on the sixth decade of the twentieth century. During the first five decades we have lived through two major devastating wars and a number of minor ones. Let us hope that the sixth decade is the beginning of a long era of peace throughout the world. Great scientific achievements, far beyond our wildest imaginations and even inconceivable and incomprehensible to most of us, have been accomplished during this century, but especially during the last two decades. Unfortunately those efforts have been devoted largely to the perfecting of the art and engines of war. If these achievements could now be used for peaceful purposes, it is impossible for us to conceive of the happiness they would bring to mankind. I am sure that our Government will do all in its power, and I trust that the nations of the world will unite with it, to encourage our scientists to make even greater advances, all of them to be used, not for the destruction of the human race, but rather for the preservation of those things which we hold dear, and for the betterment of mankind.

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

CANADA-NETHERLANDS INCOME TAX AGREEMENT BILL

SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-2, to amend the Canada-Netherlands Income Tax Agreement Act, 1957.

He said: Honourable senators, this is a bill for the purpose of amending the Canada-Netherlands income tax convention. The original act ratifying this convention was enacted in 1957 and was entitled the Canada-Netherlands Income Tax Agreement Act, 1957.

This convention is somewhat different from most of Canada's income tax conventions in that it is a supplementary convention, namely, a convention to change certain features of the original convention, which was signed in 1954 although not ratified by Parliament until 1957. Canada has entered into supplementary income tax conventions with only one other country, namely, the United States. In fact, two supplementary income tax conventions have been entered into with that country for the purpose of making appropriate changes to meet problems that have arisen from time to time.

The proposed supplementary income tax convention between Canada and the Netherlands is intended to settle certain problems encountered by both countries under the terms of the original convention. Three changes of substance have been made. The first two bring the convention closer to the terms of our other income tax conventions, while the third constitutes a departure from the normal rule, although it is not expected to make much difference in practice.

The first change merely provides for deletion of certain special termination provisions that are contained in articles VII and VIII of the original convention. The convention itself of course contains, as do all the other tax conventions, provisions for termination of the whole convention. For certain reasons, however, articles VII and VIII contain special termination provisions, but it is admitted now, and indeed the parties, Canada and the Netherlands, have agreed that these special termination provisions are no longer necessary. Consequently, the first change which is being made is to delete the termination provisions in these two articles.

The second change concerns the reduced rate of withholding tax applicable to dividends going from a subsidiary company in one country to its parent company in the other country.

Hon. Mr. Connolly (Ottawa West): Will the honourable gentleman permit a question? The portion of his remarks which he has just concluded deal, I take it, with article I in the schedule to the bill?

Hon. Mr. Thorvaldson: Yes, article I in the schedule to the bill, which deals with articles VII and VIII of the original convention.

Hon. Mr. Connolly (Ottawa West): Has the honourable gentleman the information as to why these termination provisions are to be removed, or is it intended that we should get this information in committee?

Hon. Mr. Thorvaldson: Perhaps it will be better to ask for that information at the committee stage. I can give it to my honourable friend substantially if he wishes, but I was hoping not to go into any more detail in the house than necessary.

As I have said, all income tax conventions, including this one, contain provisions for termination of the whole convention. But at the time this convention was negotiated, which was as far back as 1953 or 1954, although ratification by Parliament did not occur until 1957, it was thought, I believe particularly by the Netherlands, that Canada might desire to change the general practice of a 15 per cent withholding tax: namely, that our withholding tax might be increased to, say, 20 per cent, and in that event the Netherlands wanted to have the privilege of terminating those particular articles VII and VIII without terminating the whole convention. However, I do say to the honourable senator that I think it will be preferable to try to get a more complete explanation of this aspect in committee.

Hon. Mr. Brunt: Under these proposed changes is any notice of termination necessary?

Hon. Mr. Thorvaldson: Yes, six months' notice. If, for instance, Canada wished to terminate the whole convention by January 1, 1961, it would be required to give notice of termination six months prior to that date.

I come now to the second change I referred to, which concerns the reduced rate of withholding tax applicable to dividends going from a subsidiary company to a parent company in the other country. As we all know, the general rule is that there is a 15 per cent withholding tax on the income going from Canada to countries with which we do not have tax conventions. However, in the cases of countries with which we do have tax conventions that 15 per cent item is generally modified; indeed, it is modified in various ways with various countries. Part of the reason for this bill is that the Netherlands is a beneficiary of certain advantages greater than those given to other countries. Consequently, the purpose of the second proposed change is to bring the convention more into line with conventions with other countries.

For instance, in the original convention with the Netherlands no withholding tax was levied on dividends going from, say, a company resident in Canada to a company resident in the Netherlands, if the Netherlands company owned at least 50 per cent of the shares of the Canadian company. In our convention with the United Kingdom the Canadian withholding tax is nil only if the parent company owns 100 per cent of the stock of the subsidiary company. In our convention with the United States the provision requires a minimum ownership of only 51 per cent, but the withholding tax rate is 5 per cent. So, a United States company is required to hold 51 per cent of the shares of a Canadian company, and the withholding tax to which Canada would be entitled would be 5 per cent. On the other hand, a Dutch company is required to own only 50 per cent of the shares of the Canadian company, and the withholding tax is nil.

Hon. Mr. Davies: May I ask the honourable senator a question? Why is there a distinction?

Hon. Mr. Thorvaldson: These distinctions are and have been over the years simply matters of bargaining. In tax conventions I suppose it is one *quid pro quo* for another *quid pro quo,* and as a result the provisions as to withholding tax are not uniform in regard to all countries.

Hon. Mr. Connolly (Ottawa West): I understand the honourable gentleman is now discussing paragraph 3 of article VIII of the original convention.

Hon. Mr. Thorvaldson: That is correct.

Hon. Mr. Connolly (Ottawa West): That is to be deleted. Would the honourable gentleman tell us what the position is before the proposed deletion of this paragraph?

Hon. Mr. Thorvaldson: I have been doing just that. The position under the present convention is that if a Dutch company owns 50 per cent of the stock of a Canadian company, the dividends from that Canadian company flow to the Dutch company without Canada getting any withholding tax. The same applies also, of course, in reverse.

Hon. Mr. Connolly (Ottawa West): And what is the proposed change?

Hon. Mr. Thorvaldson: I am just coming to that.

Under this amended convention a Dutch company, in order to qualify for a reduced rate, will have to own 100 per cent of the shares of the Canadian company, and the rate will then become 2½ per cent rather than nil. However, there is one exception. Perhaps it would be just as expeditious to read paragraph 3 as to explain it, and that will remove any possibility of error. Paragraph 3 of article I reads:

> 3. Notwithstanding the second paragraph of this article the rate of tax shall not exceed 2½% if the dividends are paid by a company which is a resident of one of the States to a company which is a resident of the other State, provided that during the whole of the taxation year the latter company owns all of the voting stock of the former company (except directors' qualifying shares)

This provision is rather unusual.

> either alone or in association with not more than three other companies which are residents of that other State, but each of these companies must own at least 10% of the voting stock of the former company.

May I now expand on that very briefly? That means that if a Canadian company is owned by four Netherlands companies, none of which owns less than 10 per cent of the voting stock, then the dividends from the Canadian company would flow from Canada to those four Netherlands companies subject to a withholding tax deduction by Canada of 2½ per cent.

Hon. Mr. Connolly (Ottawa West): In the example you use there are four companies. The convention says not more than three.

Hon. Mr. Thorvaldson: There can be four.

Hon. Mr. Connolly (Ottawa West): Yes. The words are, "or in association with not more than three other companies".

Hon. Mr. Thorvaldson: There need not be only one company holding 100 per cent; but there could be as many as four companies, so long as none of the four companies held less than 10 per cent of the voting stock of the Canadian company. That is the last part of paragraph 3, which provides that, "each of these companies must own at least 10 per cent of the voting stock of the former company."

May I say to honourable senators that I am sure more complete information regarding this convention will be made in committee. As honourable senators know, tax conventions are sometimes difficult and technical, and not easily explained.

The third proposed change, which is rather unimportant, is a slight change in regard to the question of alimony being paid by a resident of either country to a resident of the other. The present convention contains a provision in regard to alimonies which is different from what is the general rule as to taxation of alimonies being paid as between country and country. The change made by this supplementary convention brings the position in this regard into conformity with the provisions of other tax conventions.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I want to say only a word about the bill, which I think has been very well explained by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson). I would hope that when it is in committee we shall have before us not only these proposed amendments, but if possible also the original convention, so that we may see what is being amended and what is being left in the convention.

Hon. Arthur W. Roebuck: Honourable senators, I trust that no one will object to the remarks I propose to make, which are really a repetition of the remarks I make every time an income tax convention comes before this house. For some years now I have been rising to protest against the method adopted for changing the law of the dominion of Canada as regards these conventions. The purpose of the present amendment to the convention with the Netherlands is to alter the substance of the law of Canada.

My honourable friend has just pointed out that the subject of his remarks is technical

and difficult, and not easy to explain. I will grant him all that, and I think the people of Canada who are affected by the law in this form will join very heartily in that statement. As a matter of fact, the methods adopted are confusion worse confounded. If my honourable friend, an experienced and able lawyer, finds it difficult to explain and, therefore, difficult to understand—for if he understood it clearly he would not have difficulty in explaining it—what about the ordinary businessman, or the practising lawyer who is asked for advice about the law as it now stands as the result of our swallowing a whole convention made between the executives of these two countries? I have protested that this is not the way to legislate, and I had hoped that by continually stating the proper procedure I would cause a little common sense to percolate into the minds of the departmental officers responsible for the existing method of procedure.

It is constitutional law that the executive may enter into agreements, treaties and understandings with foreign countries. That is the prerogative of the executive, but the executive has no power to change the law of the land without the consent of Parliament. The proper procedure for the executive, when it is coming to Parliament, is to phrase any proposed change in the law in usual form.

What is required here is an amendment to the Income Tax Act in which the substance of these agreements is expressed by the usual methods and in the usual language, and in such a way that the business interests which are concerned will clearly understand it. Had that been done in the first place, instead of bringing the whole convention to this house and throwing the book at us, there would have been no difficulty now in making the proper amendments to the law, or in giving a simple explanation of them.

Again I protest, in the hope that by constant reiteration this idea will in time penetrate the slow intelligence of those who keep on submitting this kind of legislation to the Senate.

Hon. Mr. Thorvaldson: Honourable senators, may I correct a misstatement that I think the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) made. I do not think I said I had any difficulty in explaining this bill. In fact, I think I know enough about it to be able to continue with the explanation in even greater detail. What I did say was, that in regard to these tax matters it is sometimes difficult to make oneself understood by a house which consists in the large majority of laymen as opposed to lawyers whose business takes them into these fields. What I meant was that it is difficult to make these intricate tax matters fully understood here, and that it is more appropriate to obtain a full explanation in committee.

Hon. Mr. Roebuck: If I have in any way misrepresented the remarks of the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), I withdraw my comment; but I wrote down the words which he used at the time, and my notes indicate that he said the subject was technical and difficult and not easy to explain.

Hon. Mr. Thorvaldson: I was being overly modest.

Hon. Calvert C. Pratt: Honourable senators, I wish to make a point here which has only an indirect bearing on the comment of the last speaker, but is in reference to the introduction in parliament of bills such as this one, dealing with tax agreements with various countries. We have had these bills before us year after year. I think the complication in the introduction is due largely to the fact that before such a bill can be introduced an actual agreement must first be entered into. Is that not the position?

Hon. Mr. Brunt: Yes.

Hon. Mr. Pratt: It is not a case of our meeting here and passing a bill which will permit of an agreement being made. Rather, we are being asked to confirm an existing agreement. When we have been dealing with bills of this nature previously, that has been the situation, and it does make for complications in our consideration of them. I understand that this procedure cannot be avoided because an agreement has to be entered into and signed before the necessary amendment to our laws can be made. I think the departmental officials who actually negotiate these agrements should be brought into committee as witnesses.

Hon. Mr. Brunt: This agreement was entered into on October 28, 1959.

Hon. W. Rupert Davies: That is the point I referred to on the last occasion when income tax conventions were before us, that they come to this house merely to be rubber-stamped. We have no say about them; we cannot make a change in them. They are prepared by the department. As I suggested before, there should be some consultation between the members of both houses about these conventions before they are brought to us, instead of our being asked to rubber-stamp them under the existing procedure.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

Hon. Mr. Thorvaldson: Honourable senators, I move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. David A. Croll: Honourable senators, I want to say something that I think needs to be said at this stage of our proceedings. When we dealt with two complicated bills in committee yesterday many senators around the table voiced considerable criticism, not because there was any question of the knowledge or capacity of the witnesses, but because the wrong witnesses, and not enough witnesses were before us.

Hon. Mr. Aseltine: No. no—

Hon. Mr. Croll: Well, you and I heard it. The honourable leader (Hon. Mr. Aseltine) shakes his head.

Hon. Mr. Aseltine: You were asking about something which had nothing to do with the bill at all.

Hon. Mr. Croll: No. I was supporting you yesterday.

It has always been the boast of this house that it does its most effective work in committee, and my short experience confirms that view. I had some experience in committee in the other place. There, when a bill came to a committee the appropriate minister was generally at the first meeting. If he could not attend, he was excused and his deputy attended with his advisers. If the deputy was asked a question he might say, "I am not conversant with this point but Joe Doakes here knows all about it and you can get the information from him." That was quite satisfactory to the committee because the minister or the deputy minister was responsible for the information given. I suggest that whenever we deal in committee with a matter involving a Government department, the deputy minister of that department should be there. In that way we shall get business done. If we do not insist on the attendance of at least the deputy minister, bills will be held over while we await additional witnesses. If we allow the present practice to continue it will end up in the submission of departmental memoranda to Senate committees. That would be an intolerable state of affairs.

I have no thought of casting reflection upon the witnesses who attended the meeting yesterday. They had certain knowledge, but they did not have the background information that some honourable senators wanted to obtain and discuss. It is essential that all relevant information be available to us, for we have time to reflect upon it and we want to consider legislation fully. Sometimes House of Commons committees are in a hurry. They do not have as much time as we have. The Senate has a reputation for delving into matters thoroughly.

All I am asking is that the appropriate deputy minister appear on every occasion when his department has a bill before a Senate committee. In some instances we will have the minister, but if he cannot attend we are willing to accept the presence of the deputy minister together with his witnesses. There should be no excuse for the deputy's failing to come and tell us what a certain bill is all about as he sees it, and then produce whatever additional witnesses he may require. I think that should be made a rule to be strictly observed. I hope the honourable Leader of the Government will see that this is done in the future.

Hon. Wishart McL. Robertson: Honourable senators, I wish to support the remarks just made by the honourable senator from Toronto-Spadina (Hon. Mr. Croll). This is a most vital matter to the Senate. I, too, do not wish to cast any reflection on the witnesses who appeared before the committee yesterday, but I would point out that there is a definite limitation imposed on any departmental witness. A committee chairman who knows his business will definitely rule out any question on policy put to a departmental official. That type of question should be put to a minister only or, I presume, his parliamentary secretary. That is a factor of great importance.

Honourable senators should bear in mind that the Senate of Canada, consisting of 102 members, is perhaps the only legislative body in the world which is without ministerial representation and some form of parliamentary secretaryship. This fact in no way reflects discredit on the present Leader of the Government (Hon. Mr. Aseltine). As he is not a member of the cabinet, it is of vital importance that when we are considering a departmental bill in committee either the minister concerned or his parliamentary secretary, who is supposed to be thoroughly advised on policy, be present and prepared to answer questions on policy.

Hon. Mr. Brunt: Honourable senators, for my own information I would like to address a question to the honourable Leader of the Opposition (Hon. Mr. Macdonald). Could he inform me whether prior to October 1957, when I came to the Senate, a deputy minister always appeared before a Senate committee when a bill from his department was under consideration?

Hon. Mr. Macdonald: I would say without hesitation that prior to the present administra- it was always the practice for ministers to be

present at such committee meetings or to have their deputies attend. Of course, I cannot speak of the practice prior to my coming to the Senate, in 1953.

Hon. Mr. Aseltine: I have been in the Senate for 25 years and that has not been the practice.

Hon. Mr. Macdonald: Then, the question should have been directed to the honourable Leader of the Government himself (Hon. Mr. Aseltine).

Hon. Mr. Aseltine: Sometimes it has been done, but not always.

Hon. Mr. Macdonald: I frankly say I was terribly disappointed with the way the emergency legislation was handled in committee yesterday. We did not have the information we wanted. One witness told us it was a matter for the Department of Agriculture.

Hon. Mr. Aseltine: That had nothing to do with the bill we were discussing.

Hon. Mr. Macdonald: It had a great deal to do with the question of emergency which we were discussing, and if the bills before us had not been emergency measures I surely would have asked for an adjournment of the hearing in order that we might call other witnesses. The two witnesses who appeared were very capable within the limits of their knowledge. One witness had a good knowledge of his own department, and the other witness, a charming young lady—

Hon. Mr. Connolly (Ottawa West): She has a good name.

Hon. Mr. Macdonald: —was well qualified and gave us certain information.

Hon. Mr. Aseltine: Her name was MacDonald. Is she any relation?

Hon. Mr. Brunt: That is an unfair question.

Hon. Mr. Macdonald: I would be proud to claim her as a relative. But, honourable senators, I do not want to be diverted from the seriousness of this matter. I agree entirely with what the honourable gentleman from Toronto-Spadina (Hon. Mr. Croll) and the honourable senator from Shelburne (Hon. Mr. Robertson) have said. We should have witnesses in committee who can give us all the information we require. They should be the top witnesses available. We have had this co-operation from the honourable Leader of the Government in the past, and now that the honourable gentleman from Toronto-Spadina has drawn this matter to his attention, I have no doubt we shall get the same co-operation in the future.

Hon. Mr. Robertson: Honourable senators, inasmuch as I was Leader of the Government in the Senate longer than anybody else living in Canada today, I might say, on behalf of the present Leader of the Government (Hon. Mr. Aseltine), that during the time I had the honour to hold the position which he now holds there certainly were many committee hearings when neither a minister nor a parliamentary secretary was present. There is no question about that. Nevertheless, in a legislative body of 102 members which has no representation on the federal cabinet—I say this without reflection on anyone, but it is the first time since Confederation that this condition has existed—the Leader of the Government cannot possibly be as conversant with Government policy as he would be if he were a member of the cabinet. I do not wish to embarrass the honourable Leader of the Government, but what I say is fact, and I think that when the Senate, the senior body of the Parliament of Canada, is considering Government bills it should have the right to question the appropriate members of the cabinet, for they are members of the Privy Council and should know the background of various policies. If the ministers are unable to attend our meetings they should send their parliamentary secretaries. After all, there are about 40 of them altogether, so surely it is not too much to ask that a minister or his parliamentary secretary come before us in committee when we are dealing with important legislation. I admit that this was not always done during my period of office, but it is a good practice and should be followed today more than ever.

Motion agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Macdonald: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) what will be the business before the house tomorrow? I had not expected that the Canada-Netherlands Income Tax Agreement bill would be considered today, so the motion for second reading took me somewhat by surprise; but in view of the excellent explanation which was given I did not move to adjourn the debate. I believe some honourable senators who are not present would have liked to take part in the debate. However, they can do so on the third reading.

Hon. Mr. Aseltine: I apologize for not having informed the honourable Leader of the Opposition (Hon. Mr. Macdonald) of the intention to proceed with second reading of the bill today; but I have been fighting a very heavy cold, so I was not able to get to my office early this morning. I do not

expect that the debate on the Address will be proceeded with tomorrow; but, as I have previously stated, the three bills relating respectively to the harbours at Windsor, Oshawa and Nanaimo will, so far as I know, be up for second reading tomorrow; and later, perhaps, there will be the royal assent to certain legislation.

Hon. Mr. Macdonald: Do I understand that the third order on today's paper, namely, the second reading of Bill S-3, to repeal certain fisheries laws of Newfoundland, will not be taken up tomorrow?

Hon. Mr. Aseltine: That is so. The honourable senator from St. John's West (Hon. Mr. Pratt) has asked that it go over until next week. He wishes to obtain certain information with respect to the subject matter, and I agreed that it be postponed. Also, as I am reminded by the honourable senator from Hanover (Hon. Mr. Brunt), certain private bills will be presented for second reading tomorrow.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, January 28, 1960

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

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa

January 28, 1960

Sir:

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Thursday, the 28th January, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

E. Joly de Lotbinière,
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate,
Ottawa

OFFICIAL REPORT

Hon. W. Ross Macdonald: May I ask His Honour the Speaker to be kind enough to make a correction in *Hansard* for me? The necessity for the correction was brought to my attention by the honourable senator from Kamloops (Hon. Mr. Smith). Yesterday in speaking in the debate on the Address in reply to the Speech from the Throne I said, in effect, that at the beginning of this year we entered upon the sixth decade of the twentieth century. I feel quite sure that statement is wrong and that probably we entered upon the seventh decade of the twentieth century, but I am not sure that even that is right. It may be that we entered upon the last year of the sixth decade of the twentieth century. In fact, honourable senators, I am very much confused and I would appreciate it greatly if His Honour the Speaker would help me to make the necessary correction for *Hansard*.

Hon. Mr. Brunt: I think we are all confused.

The Hon. the Speaker: On the 31st day of December 1900 we finished the last decade of the last century, so the first decade of this century started on the first day of January 1901. The first decade ended on December 31, 1910, and the second decade started on January 1, 1911. Therefore, according to my reckoning, the sixth decade of the twentieth century will end on the 31st day of December this year and the seventh decade will commence on the first day of January, 1961. The request for a correction is therefore granted accordingly.

Happy New Year to you all!

Hon. Mr. Pouliot: Time will tell.

Hon. THOMAS FARQUHAR

BIRTHDAY FELICITATIONS

Hon. William H. Golding: Honourable senators, I would like to draw the attention of honourable senators to a very happy anniversary. Today is the 85th birthday of my room-mate, the Honourable Senator Farquhar.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: Congratulations.

Hon. Mr. Farquhar: Thank you very much.

Hon. Mr. Roebuck: Honourable senators, the Honourable Senator Farquhar is a valued and able member of the Divorce Committee. As chairman of that committee, may I voice the wishes of all its members for his long life and much happiness.

Hon. Mr. Turgeon: Honourable senators, may I add one word, partly because of the great esteem which I feel for the Honourable Senator Farquhar, and also because he spent a large part of his early life in helping in the development of British Columbia, particularly in the southeast area. He assisted very largely in bringing about the early development of that far western province.

DOCUMENTS TABLED

Hon. Mr. Aseltine: Honourable senators, I table the following reports:

Report of the Tariff Board, dated November 16, 1959, relative to the investigation ordered by the Minister of Finance respecting hosiery and knitted goods, being Reference 125 (Textiles) (English and French texts); together with transcript of the evidence presented at public hearings, pursuant to section 6 of the Tariff Board Act, Chapter 261, R.S. 1952. (English text).

Report of the International Joint Commission on Principles for determining and apportioning benefits from co-operative use of storage of waters and electrical interconnection within the Columbia River System. (English and French texts).

Report of Municipal Improvements Assistance Act, 1938, for the year ended December 31, 1959, pursuant to section 11 of the said Act, Chapter 183, R.S. 1952. (English text).

Report of the work performed and expenditures made as of December 31, 1959, together with the estimated expenditures for 1960, under the authority of Chapter 19 of the Statutes of 1956, respecting

the construction by the Canadian National Railway Company of a branch line from a point at or near Bartibog in a westerly direction to the Tomogonops River in the vicinity of Little River Lakes in the province of New Brunswick, pursuant to section 8 of the aforementioned act. (English text).

Report of the work performed and expenditures made as of December 31, 1959, together with estimated expenditures for 1960, under the authority of Chapter 49 of the Statutes of 1953-54, respecting the construction by the Canadian National Railway Company of branch lines from St. Felicien to Cache Lake, Cache Lake to Beattyville, and Cache Lake to Chibougamau, in the province of Quebec, and from Hillsport to Manitouwadge Lake, in the province of Ontario, pursuant to section 8 of the aforementioned act. (English text).

Report of the work performed and expenditures made as of December 31, 1959, together with the estimated expenditures for 1960, under the authority of Chapter 13 of the Statutes of 1957-58, respecting the construction of a line of railway by the Canadian National Railway Company from Optic Lake to Chisel Lake, and the purchase by the Canadian National Railway Company from the International Nickel Company of Canada, Limited, of a line of railway from Sipiwesk to a point on Burntwood River near Mystery Lake, all in the province of Manitoba, pursuant to section 11 of the aforementioned Act. (English text).

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented certain petitions.

He said: Honourable senators, not long since I presented some 377 petitions for divorce, and at that time I assured honourable members that there would be more to come. I now present a further 18, making in all 395.

The Hon. the Speaker: May I ask the honourable senator a question?

Hon. Mr. Roebuck: Certainly, Mr. Speaker.

The Hon. the Speaker: What is the last date for filing petitions?

Hon. Mr. Roebuck: About a month hence.

Hon. Mr. Choquette: February 24.

REPORTS OF COMMITTEE

Hon Mr. Roebuck presented reports of the Standing Committee on Divorce Nos. 22 to 36, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, February 2, 1960, at 8 o'clock in the evening.

Motion agreed to.

WINDSOR HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-4, to amend the Windsor Harbour Commissioners Act.

He said: Honourable senators, this bill to amend the Windsor Harbour Commissioners Act is very short. I think I should recall to the minds of honourable senators that the original act setting up the Windsor Harbour Commission was passed in April of 1957. If any honourable senator desires to refer to that act he will find it set out in full in Chapter 38 of the Statutes of Canada, 1957.

This particular amendment arises as the result of a request made by the Windsor Harbour Commissioners to the Minister of Transport. Once the request was made the Department of Transport had surveys and inspections made of the water-front property in the vicinity of Windsor. They found there was a considerable quantity of water-front property and other contiguous land fronting on the water opposite the town of Ojibway and adjacent to the city of Windsor. It was found further that it would be advantageous to the orderly and proper development of the Windsor harbour to include these lands in the harbour development. Before the final step was taken the department communicated with officials of the town of Ojibway, and learned that they supported this proposal and were in favour of the amendment.

The bill itself is minor in character. It makes one small amendment to section 4 of the original act. The amendment simply extends the south boundary of the Windsor harbour from the southern limit of the city of Windsor to the southern limit of the town of Ojibway, and then westerly to the international boundary. The extension southerly of the control of foreshore for harbour purposes involves a distance of two miles, and authorization of that extension will be permitted by this amendment.

If this bill receives second reading today I will propose that it be referred to the Standing Committee on Transport and Communications for further consideration.

Hon. Mr. Power: Did the honourable senator say who was the proprietor of this land at the present time?

Hon. Mr. Brunt: Some of it is owned by the town of Ojibway and some by individuals and corporations. This bill does not vest the title of the land in the commission. It makes it possible for the commission to develop the land for harbour purposes.

Hon. Mr. Connolly (Ottawa West): Without taking possession?

Hon. Mr. Brunt: No; it can eventually take possession. This bill places the land under the commission's jurisdiction.

Hon. Mr. Power: Does it give the commission power of expropriation?

Hon. Mr. Brunt: That is contained in the original act. The commission can expropriate land and develop it.

Hon. Mr. Power: What additional powers does it get under this bill?

Hon. Mr. Brunt: None. This just extends the length of the Windsor Harbour.

Hon. Mr. Connolly (Ottawa West): I wonder if the honourable sponsor of the bill (Hon. Mr. Brunt) can tell us how many public harbours in Canada are administered by bodies incorporated by Parliament, or otherwise, such as this one, and how many are administered by the National Harbours Board?

Hon. Mr. Brunt: I cannot give that information to the house, but I will endeavour to see that it is available in committee. I can name offhand a number that are administered by incorporated bodies: for instance, the Montreal Harbour Commission, the Toronto Harbour Commission, the Lakehead Harbour Commission, the Vancouver Harbour Commission and the Windsor Harbour Commission. Later I am going to introduce a bill to incorporate the Oshawa Harbour Commission and another bill to incorporate the Nanaimo Harbour Commission.

Hon. Mr. Connolly (Ottawa West): Have you any examples of the other type?

Hon. Mr. Brunt: No, I do not have an example of the other type.

Hon. Mr. Lambert: These smaller harbour commissions do not come under the National Harbour Board?

Hon. Mr. Brunt: No, they operate separately.

Hon. Mr. Macdonald: Under what body do they come?

Hon. Mr. Brunt: They are set up and created by statute, and they report to the Department of Transport. If you will look at the original bill setting up this particular Harbour Commission you will find that the bylaws must be approved by the Department of Transport, and the financing also must be approved by that department. If the revenues are a sum that is more than the amount required to operate, the surplus money comes back to the dominion Government. The original act under which this harbour commission was set up sets out all of those powers and everything else necessary in order for the commission to operate in a proper and efficient manner.

Hon. Mr. Macdonald: Later on today I understand we are to consider a bill to incorporate the Oshawa Harbour Commissioners. Will that bill give all the information with respect to the setting up of that commission and its responsibility to the dominion Government?

Hon. Mr. Brunt: It will give it all in detail. In fact, all the bills setting up harbour commissions are taken off one model. They are all very similar. There are a few differences of a minor nature between the different bills.

Hon. Mr. Macdonald: I will reserve my questions about the Oshawa Harbour Commissioners bill until we are dealing with it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Transport and Communications.

OSHAWA HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-5, to incorporate the Oshawa Harbour Commissioners.

He said: Honourable senators, Bill S-5 is to incorporate the Oshawa Harbour Commissioners. This corporation, when set up, will develop and manage the harbour of the city of Oshawa. The powers of the corporation are similar to those granted to other harbour corporations which have been set up and established in the past.

For the information of honourable senators, I think I should point out that an interdepartmental committee composed of engineers and economists from the Department of Transport and the Department of Public Works has carried on investigations for some time with respect to the development of the harbour at Oshawa. Most of the investigation has been carried on since the opening of the seaway last June, because it is since that time that this harbour has started to develop in a small way.

As a result of the studies it was found that although at the present time there was no immediate requirement for harbour works outside or beyond the scope of the usual dredging, this harbour, being located only 17 miles east of Toronto, would, in due course, likely develop because of the establishment—

Hon. Mr. Macdonald: It will likely be taken in by Toronto.

Hon. Mr. Brunt: I think the people in the county of Ontario will have a little bit to say about this.

Hon. Mr. Macdonald: I was thinking of the way Toronto is taking in all the adjoining territory.

Hon. Mr. Brunt: It has not gone outside York county as yet.

Hon. Mr. Macdonald: It is doing its best.

Hon. Mr. Roebuck: I have been speaking to people in Oshawa who are looking forward to the absorption of Toronto.

Hon. Mr. Brunt: As a result of the studies it was found that the harbour at Oshawa was likely to develop in due course because of the establishment of industries in the vicinity of Oshawa which would require marine transport. Furthermore, it should be pointed out that in addition to these surveys and studies, the municipal council of the city of Oshawa made a formal application to the Minister of Transport, requesting him to set up a harbour commission, and the council indicated its intention and willingness to provide water-front property now owned by the city for management and development by the commission. I am advised that this is the usual practice when any city or large town in Canada requests that a harbour commission be set up.

At the present time the Department of Transport operates a wharf at Oshawa that is used for the handling of coal, fuel oil and gravel, from which the city of Oshawa derives an annual revenue of $18,000. These facilities, upon the setting up of a harbour commission in Oshawa, would be turned over to the commission together with all the harbour revenues that the city is now collecting, and the commissioners would administer the operation of the harbour.

The purpose of the bill is quite simple. As stated previously, it is to set up this harbour commission for the city of Oshawa. In August 1958 I sponsored in this house a bill to incorporate a commission known as the Lakehead Harbour Commission. The present bill is almost identical with that one, and for that reason I do not at this time propose to deal with the clauses individually in this bill. However, I will mention a few of the matters covered by it. First of all, it provides for three commissioners. Under the Lakehead bill there were five commissioners. The reason for the difference is that the Lakehead bill involved two cities, while this bill involves the city of Oshawa only. Two of the commissioners will be appointed by the Governor in Council, and the third by the City of Oshawa.

Hon. Mr. Macdonald: How are appointments made to the Lakehead Harbour Commission?

Hon. Mr. Brunt: In the same manner.

Hon. Mr. Macdonald: But in what proportion?

Hon. Mr. Brunt: That information is contained in the Lakehead bill which was passed last year.

Hon. Mr. Lambert: The proportion is three to two.

Hon. Mr. Brunt: I think one commissioner is appointed from each city and the remainder by the Governor in Council. It is set out in detail in that legislation.

Hon. Mr. Macdonald: Is it customary to have the majority of the commissioners appointed by the department?

Hon. Mr. Brunt: I believe so.

This bill provides for the term of office of all commissioners, the oath of office, the election of a chairman and the constitution of a quorum.

The general powers of the commission are set out in detail in clauses 10 to 12 of the bill. Clause 13 deals with the matter of bylaws which may be passed by the commission in order to function properly. Incidentally, it might be pointed out that all bylaws must be approved by the Governor in Council before they become effective and operative.

Clause 14 is an important one, dealing with the borrowing powers of the commission. Clauses 15 and 16 deal with the finances of the corporation and provide that the surplus revenue over and above that required for reasonable working capital shall be payable to the Receiver General.

As is customary in bills such as this there are clauses dealing with the expropriation of land—all commissions must have this power—the setting of harbour rates, the seizure and detention of vessels. And, finally, there are three general clauses near the end of the bill—a clause dealing with the administration of oaths, a clause prohibiting all members of the commission from having pecuniary dealings with the commission, and a limitation clause with respect to the commencing of any action against the commission. I believe it is two years.

The final clause of the bill states that the act shall come into force at a date to be fixed by proclamation of the Governor in Council.

Honourable senators, in closing all I have to add is that if the bill receives second reading today I shall propose that it be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Macdonald: Honourable senators, there are one or two questions I would like

to ask in connection with this bill. When we were considering the Windsor bill a few minutes ago some mention was made of the difference between harbours operated by commissions and those operated by the National Harbours Board. I wonder if the honourable senator from Hanover (Hon. Mr. Brunt) would explain to the house on what basis it is decided that certain harbours will be under the National Harbours Board and others will be under local commissions. I realize that this information was given last session, but I am sure a number of honourable senators would like to have their memories refreshed on this distinction. If the honourable gentleman from Hanover has not the information at hand, perhaps we could get it in committee or on the third reading of the bill.

Hon. Mr. Brunt: I will see that honourable senators get the information either in committee or on third reading. As I recall it, when dealing with the previous bill I may have been wrong in including the harbour of Montreal among those that are administered by incorporated bodies. It sticks in the back of my mind that the National Harbours Board administers those harbours where there is ocean shipping.

Hon. Mr. Macdonald: There is another bill dealing with the port of Nanaimo, which is under a harbour commission.

Hon. Mr. Brunt: When I introduce the Nanaimo bill I think you will find that the traffic there is not ocean-going. It is traffic that takes place between the lower mainland in the province of British Columbia and the city of Nanaimo itself.

Hon. Mr. Power: I understand that one of the reasons for incorporating the Oshawa Harbour Commission is that it hopes to handle ocean shipping.

Hon. Mr. Brunt: The harbour will develop because ocean shipping will go into it, but I do not think Oshawa could be considered an ocean port.

Hon. Mr. Connolly (Ottawa West): Why not?

Hon. Mr. Brunt: I may be wrong.

Hon. Mr. Power: Montreal is not on the ocean; neither is Quebec City.

Hon. Mr. Brunt: There was some argument about that last year when the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) introduced a motion to close the harbours of Montreal and Quebec City for a certain period every year.

Hon. Mr. Macdonald: Can the honourable senator from Hanover (Hon. Mr. Brunt) tell us what sized ships will be able to get into the Oshawa harbour when it is established?

Hon. Mr. Brunt: At the present time I think ships with a draft up to 14 feet can get in.

Hon. Mr. Macdonald: I mean when the harbour is completed. I understand the harbour at Toronto can take ships of much greater draft than that.

Hon. Mr. Brunt: That is right.

Hon. Mr. Macdonald: If the honourable senator cannot give us that information we could get it from a representative of the Government in committee. There are one or two other matters I would like to inquire about. Are the rates which are fixed by harbour commissions determined according to a certain standard set up by the department for all harbour commissions, or does each harbour commission itself decide what the rates will be?

Hon. Mr. Brunt: Section 18(1) of this bill provides that:

> The valuation of goods on which *ad valorem* rates are imposed by bylaw shall be made in accordance with the provisions of the Customs Act as far as applicable and the provisions of that act shall, for the purposes of such valuation, be held to form part of this act as if embodied herein.

I think that is the formula which will be used to determine the harbour rates.

Hon. Mr. Macdonald: I do not see how that fixes the rates which will be imposed upon cargoes. I cannot follow the honourable gentleman's reasoning, but even if he is correct would he say that there is a standard by which rates are fixed in other harbours?

Hon. Mr. Brunt: Would the honourable gentleman please repeat his inquiry?

Hon. Mr. Macdonald: Rates are fixed by all harbour commissioners?

Hon. Mr. Brunt: Yes.

Hon. Mr. Macdonald: I would like to know what the standard is by which those rates are fixed. Can each habour commission say, "The rates so far as this harbour is concerned will be such-and-such", without relation to what rates might be fixed in any other harbour?

Hon. Mr. Brunt: I do not think so. As far as I have been able to ascertain, a similar clause is contained in all legislation setting up harbour commissions. Therefore all commissions would have to use the same method.

Hon. Mr. MacDonald: Not necessarily the same method. They would have to use the method set forth in the bill.

Hon. Mr. Brunt: There is a similar clause in each bill.

Hon. Mr. Macdonald: Section 18 of the bill deals with the valuation of goods on which *ad valorem* rates are imposed. I do not see that that has anything to do with dockage, but it may be that I do not understand it. I do not follow it this way, and I doubt if any other honourable senator does.

Hon. Mr. Bouffard: Clause 13, subclause (1)(h) authorizes the corporation to fix the rates.

Hon. Mr. Macdonald: I believe that in Toronto the rates are set by bylaw.

Hon. Mr. Brunt: That is so.

Hon. Mr. Bouffard: And approved by the Department of Transport.

Hon. Mr. Brunt: By the Governor in Council.

Hon. Mr. Bouffard: By the Governor in Council through the Department of Transport. That provides that there shall be uniformity, but nevertheless with a consideration, a realization, of the local situation. Rates in one of these ports may not be the same as in another, and this for various reasons. That matter, however, is subject to the discretion of the department and as expressed by order in council.

Hon. Mr. Macdonald: I wish to thank my honourable friend. Clause 13 (1)(h) is more appropriate to the question than the clause to which I was referred a minute ago.

I should also like to know where in this measure there is provision that there shall be uniformity of rates throughout the various harbours in Canada.

Hon. Mr. Brunt: There is none. There was never intended to be.

Hon. Mr. Macdonald: So there can be one rate at Oshawa, another at Toronto, another at Hamilton, another at Windsor, another at Welland?

Hon. Mr. Haig: And another at Winnipeg.

Hon. Mr. Brunt: That is quite possible.

Hon. Mr. Haig: We have, and have had for years, a harbour commission at Winnipeg.

Hon. Mr. Macdonald: Is that for ocean-going vessels?

Hon. Mr. Haig: No. It is not necessary that the vessels shall be ocean-going.

Hon. Mr. Macdonald: I am pleased to know that Winnipeg has a harbour.

I have another question. It is provided in clause 14 that the corporation can borrow money for the purposes of defraying the expenses of "constructing, extending and improving the wharves, structures and other accommodations", and may issue debentures, and there is a provision that such debentures "may be secured upon the real property vested in or controlled by the corporation". I understand that these debentures can be issued only with the prior approval of the Governor in Council. Does the Government guarantee in any way payment of the principal of or interest on those debentures, or are they merely a charge upon the property of the harbour?

Hon. Mr. Brunt: As far as I know they are only a charge upon the property of the harbour commission. They are issued by the harbour commission; and I have never heard of the Government guaranteeing the debentures of any harbour commission. It might be that, if the commission were in difficulties, it would appeal to the Government, and in a special case the Government might have to guarantee the debentures in order to develop the harbour.

Hon. Mr. Bouffard: There is one question I should like to put to the sponsor of this bill. I do not know whether he can answer it right away; if not, I hope that he will be able to give the answer in committee. It relates to clause 12. Evidently at the present time the land within the limits of the harbour belongs partly to the city of Oshawa and partly to the federal Government, and also there are some private properties. It may be that there are buildings on these properties, and until expropriation takes place it will not be known which will and which will not be the property of the harbour commission. In the meanwhile will the commission have, in some way or other, control of these properties?

Hon. Mr. Brunt: It will control the matter of how the properties can be developed; for instance, what changes are to be made, whether a building can be erected or whether it can be enlarged. These matters will be under the control of the commission, although it will not actually own the land and buildings which are now the property of private persons or corporations until it either purchases or expropriates them.

Hon. Mr. Bouffard: But before expropriation can the commission prevent a man from using his land? I understand it can, and I should like to know.

Hon. Mr. Brunt: If such use is detrimental to the harbour, yes.

Hon. Mr. Connolly (Ottawa West): May I follow this line of reasoning a little further? Perhaps I could ask the honourable sponsor of the bill this direct question in relation to property of the character mentioned by the honourable senator from Grandville (Hon. Mr. Bouffard): If property rights of that type

are interfered with, are the riparian owners entitled to compensation for loss?

In the next place, I notice that subclause (5) of clause 12 makes reference to the Navigable Waters Protection Act. Now some of these riparian property owners may have established, either by having water lots or by having acquired the rights over the years, certain rights to use the water in the area which is now to be within the harbour. Will the sponsor of the bill inform us whether or not, under the provisions of the Navigable Waters Protection Act and under the practice of the department, these water rights are similarly protected; will there be compensation for loss of any of these water rights; and is it the practice of the Department of Public Works, which administers the Navigable Waters Protection Act, to pay compensation for the loss of any rights that riparian owners might lose?

Hon. Mr. Brunt: Rather than attempt to make a guess at the answers, I will have an expert before the committee who will provide the honourable senator with definite and positive information. I think the matter will be better dealt with in this way.

Hon. Mr. Roebuck: Would the honourable senator from Hanover (Hon. Mr. Brunt) give us some idea of the financial relationship between the city of Oshawa and the harbour commission? I observe that any profits made by the commission are payable to the dominion Government. This harbour commission will enjoy certain privileges, such as the use of roads, police protection, and so forth. Will it pay any taxes to the municipality?

Hon. Mr. Brunt: I have never heard of a harbour commission paying taxes.

Hon. Mr. Macdonald: The ownership is in the dominion Government.

Hon. Norman P. Lambert: Honourable senators, I would like to ask if any thought or consideration has been given to reclassification of the smaller harbour boards or harbour commissions, located as they are along the interior waterway, to meet the growing demands of ocean traffic by reason of the development of the St. Lawrence waterway. We all know that in 1935 the National Harbours Board was entirely reorganized to centralize the control over harbours which were really salt water harbours and concerned largely with international traffic. Now a good many of the new harbours which are developing in the interior waterways have a traffic almost equal to that of a coastal harbour. It seems to me that, rather than allow time to develop problems in connection with divided jurisdiction and divided interest between a local municipality, be it Toronto or Oshawa or Hamilton or some other city, and the National Harbours interests as now represented by the so called National Harbours Board, more of these harbours should be under the board, and we should make very certain about the local interests involved in the group which would come under the Department of Transport as such, because it is there that questions of finance arise.

The change that took place in 1935 gave complete control to the National Harbours Board over the finances of the Quebec, Montreal, Halifax, Vancouver boards and so on, and there was a good deal of controversy at that time as to whether or not that was a fair arrangement. Anyhow, it did effect a good deal of savings in the administration of these separate harbours, and I thought the same idea might be applied to the consideration of placing some of these growing Great Lakes harbours under the National Harbours Board rather than leave them in a group now tributary to the Department of Transport.

Hon. Mr. Brunt: I understand that no survey is being made, but the Government does, when representations are made to it, and in proper cases, set up harbour commissions such as the one that it is proposed to set up for Oshawa. But I do not believe that any survey to classify harbours has been undertaken up to the present time.

While I am on this point I might add that many municipalities will likely be applying to the Department of Public Works to have their harbours deepened so that larger vessels can go into them. A request of this kind has been made by Port Credit, and I think it will be only a matter of time until other small towns on the Great Lakes will be making similar requests. But I do not think any survey has been made.

Hon. Mr. Lambert: I was thinking of the Toronto and Oshawa harbours. Both of these places today have harbour commissions which are directly responsible to the Department of Transport. Both harbours are looking forward to increased traffic owing to the development of the St. Lawrence Seaway, and it seems that their character has changed completely, potentially at any rate. That should be taken into consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Transport and Communications.

PRIVATE BILL

BRITISH AND FOREIGN BIBLE SOCIETY—SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-8, respecting the British and Foreign Bible Society in Canada.

He said: Honourable senators, I think this should be called Brunt day in the Senate, since I am sponsoring one bill after another.

This bill, honourable senators, is entirely different from the two we have just dealt with. It relates to the British and Foreign Bible Society in Canada.

This organization was founded in England in 1804, and as early as 1808 an auxiliary of the society was formed in Nova Scotia. Shortly thereafter other auxiliaries of the society sprang up in the settled areas of Canada. Finally, in 1904, it was decided that all the auxiliaries throughout Canada should join together and form a national society. Accordingly, an act of incorporation was passed by the Parliament of Canada during the year 1906. If any honourable senator desires to refer to this act he will find it set out in detail in chapter 74 of the Statutes of Canada, 1906.

This original act was amended by chapter 78 of the Statutes of Canada, 1930. Following the entry of Newfoundland into Confederation, in 1949, a further amendment was made to the act by deleting from the name of the society the words "in Newfoundland". This particular amendment can be found in chapter 43 of the Statutes of Canada, 1949.

During the year 1959 several meetings of all these auxiliaries located throughout Canada and of the general board of the society were held, and finally it was unanimously agreed that for the better advancement of the work of the society further amendments were necessary. The purpose of this bill is to bring about these amendments.

Clause 1 of the bill changes the name of the society from The British and Foreign Bible Society in Canada to Canadian Bible Society, Auxiliary of The British and Foreign Bible Society. The British and Foreign Bible Society in Canada is the national Bible Society for Canada, and one of the 23 national societies of the world.

The present title conveys to the general public the impression that the society is a British and foreign society and therefore not primarily a Canadian responsibility. The new name will designate the society as a Canadian society in a way that the present name does not. It will also preserve the close and intimate link with the parent society, the British and Foreign Bible Society.

Clause 2 of the bill is a very simple one: it makes it possible for Canadians to be appointed to the general board which manages the affairs of the society. However, there is provision in this clause that the majority of the board shall be elected by the various auxiliaries or districts located throughout Canada.

Honourable senators will note that by paragraph 3 of clause 2 the existing constitution of the society is preserved and confirmed.

Hon. Mr. Macdonald: Who are "prominent Canadians" within the meaning of the explanatory note opposite page 1 of the bill?

Hon. Mr. Brunt: Your definition is as good as mine.

Hon. Mr. Macdonald: I have not got one. I do not know what the note means.

Hon. Mr. Brunt: Well, I won't attempt to designate who are prominent Canadians.

Hon. Mr. Connolly (Ottawa West): Go ahead.

Hon. Mr. Brunt: Oh, no.

The sole purpose of clause 3 is to restate the objects of the society.

Many honourable senators will recall that last session the honourable senior senator from Ottawa (Hon. Mr. Lambert) presented to this house a bill providing certain amendments to the articles of incorporation of the Boy Scouts Association. Among the changes which that particular bill proposed was one which either removed the restriction on the value of real estate which the Boy Scouts Association could own or in the alternative greatly increased the value of the land which this association could own.

The purpose of clause 4 of this bill is to do exactly the same, namely, to remove existing restrictions on the value of the real estate that may be held by the British and Foreign Bible Society in Canada—or, to use its proposed new name, the Canadian Bible Society. I am advised that the present value of real estate that may be held by the society is $1 million. Since this figure was set by an amendment mentioned earlier by me, which was passed in 1930, the value of real estate has increased very substantially. Therefore, it is thought advisable by all concerned that the society should now ask for the removal of this restriction altogether.

Hon. Mr. Connolly (Ottawa West): Is it subject to the mortmain laws of the province?

Hon. Mr. Brunt: I imagine it would have to be.

Finally, clause 5 of the bill would broaden the basis of admitting constituents to the society. The various auxiliaries across Canada which at present constitute this society may call themselves districts instead of auxiliaries. This change, however, does

not imply any change in their relationship to the society. I have here the constitution and bylaws of the society, and I shall be happy to loan them to any honourable senator who is interested.

That is all I have to say regarding this bill. If it receives second reading I will propose that it be referred to the Standing Committee on Miscellaneous Private Bills.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Miscellaneous Private Bills.

NANAIMO HARBOUR COMMISSIONERS BILL

SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-10, to incorporate the Nanaimo Harbour Commissioners.

He said: Honourable senators, this bill to incorporate a corporation to be known as the Nanaimo Harbour Commissioners is very similar to the one to incorporate the Oshawa Harbour Commissioners. For that reason I do not propose to deal with any clauses of this bill; rather, it is my intention to make a general statement as to why the Government has seen fit to introduce this bill, and when it has received second reading I will move that it be referred to the appropriate committee.

The Municipal Corporation of the City of Nanaimo and the Chamber of Commerce of the same place presented a petition to the Minister of Transport urging establishment of a harbour commission for the harbour of Nanaimo, British Columbia. The city advised that upon enactment of the necessary legislation to set up such a commission it would transfer and vest in the harbour commission harbour front property now owned by the city for development and management by the commissioners.

The minister agrees with those who sponsored this petition that the orderly development of the harbour would be furthered by the setting up of a local body to direct and administer the affairs of Nanaimo harbour.

It should be pointed out that the harbour at Nanaimo is a natural one. It is open the year around for deep-sea vessels and is protected from the open waters of the straits of Georgia by the outer island of Gabriola and by the inner islands of Newcastle and Protection. The strategic location of the harbour provides an excellent loading and unloading point for the two main services connecting Vancouver Island and the lower mainland by ferries which are operated by the Canadian Pacific Railway and Black Ball Ferries Limited. During the entire tourist season of last year the ferries carried upwards of 1,250,000 passengers, 300,000 passenger cars and 50,000 trucks and trailers.

Hon. Mr. Macdonald: Is that the volume of traffic over any number of years?

Hon. Mr. Brunt: No; these are last year's figures.

Hon. Mr. Macdonald: How did they compare with figures for previous years?

Hon. Mr. Brunt: I have no idea. I just took the figures for last year. I did not ask for a lot of statistical data, because we will get that when the bill is considered in committee.

Hon. Mr. Macdonald: If this is any indication of the volume of traffic there, it strikes me as strange that an application was not made earlier under the National Harbours Board.

Hon. Mr. Brunt: I understand that this is the first application that the Department of Transport has received. Probably up to the present time the local authorities were content to operate the harbour themselves.

Hon. Mr. Lambert: May I ask the honourable senator whether the services that have been in existence for a long time between Vancouver and Seattle and which were disrupted some time ago as a result of labour troubles, have largely been replaced by a service between Vancouver and Nanaimo? Is this not one of the reasons for the harbour enlargement at Nanaimo?

Hon. Mr. Brunt: That would be one of the reasons.

Hon. Mr. Lambert: My honourable friend the senator from Cariboo (Hon. Mr. Turgeon) can probably give us the latest information on the extent to which the services between Vancouver, Victoria and Seattle have been restored.

Hon. Mr. Turgeon: The situation is still very bad.

Hon. Mr. Haig: May I mention to the house that the highway from Nanaimo to Victoria has been completed in the last couple of years. I was over it about a year and a half ago and I asked the same question. That route is now being used regularly and carries heavy traffic.

Hon. Mr. Brunt: Honourable senators, at the present time the Department of Transport operates what is known as the Government Assembly Wharf and the Deep Sea

Wharf. These wharves have an approximate length of 1,150 feet, and they are used for the handling of lumber, pulpwood, fuel oil, iron ore, chemicals and sundry other products that pass over the wharves each year. The gross annual income derived is approximately $30,000.

Hon. Mr. Macdonald: That is for ocean-going traffic?

Hon. Mr. Brunt: Some of it is ocean-going traffic, and some of it moves to and from the mainland.

Hon. Mr. Macdonald: I do not understand why this harbour would not come under the National Harbours Board.

Hon. Mr. Brunt. When the expert is before the committee on the consideration of this bill he will provide the answer. The Government is simply introducing the bill at this time to establish a harbour commission. A petition has been presented by the City of Nanaimo, and it has the backing of the local Chamber of Commerce. This is what the people of Nanaimo want, and that is why the bill is before us. If they did not want it the bill would not be introduced at this time.

Hon. Mr. Macdonald: Does my honourable friend know whether they want the harbour under the National Harbours Board?

Hon. Mr. Brunt: No, they want their own commission.

Hon. Mr. Macdonald: Could the city not arrange to have the harbour operated by the National Harbours Board?

Hon. Mr. Brunt: I do not know. This bill provides what the city asked for.

Hon. Mr. Lambert: I do not suppose the honourable sponsor of the bill can indicate the probable amount that will be spent on development of these harbours.

Hon. Mr. Brunt: No.

Hon. Mr. Lambert: It would be interesting to have that information with respect to Oshawa, too.

Hon. Mr. Brunt: That is right.

This bill proposes that all the facilities of the two wharves be placed under the management of the commissioners.

I might point out, in addition, that the Department of Transport collects in the neighbourhood of $16,000 annually in harbour dues, and some $23,000 annually as rentals from the leasing of water lots. These revenues, of course, would immediately be available to the commissioners.

As I mentioned earlier, the purpose of the bill is to set up a harbour commission. There will be three commissioners, two appointed by the Governor in Council and one by the City of Nanaimo.

Hon. Mr. Connolly (Ottawa West): Will they be under the jurisdiction of the Civil Service Commission?

Hon. Mr. Brunt: I have never heard of that being the case. There is nothing said about their being under the jurisdiction of the Civil Service Commission, nor as to whether they will operate as a Crown corporation outside the Civil Service Commission.

Hon. Mr. Connolly (Ottawa West): Are their employees under the jurisdiction of the Civil Service Commission?

Hon. Mr. Brunt: A certain amount of clerical work will have to be done.

Hon. Mr. Power: And harbourmasters will have to be appointed.

Hon. Mr. Macdonald: After competition.

Hon. Mr. Brunt: As I have said, the bill says nothing about whether the commissioners will be under the Civil Service Commission or whether they will operate as a Crown corporation which, as all honourable senators know, is outside the jurisdiction of the Civil Service Commission.

If the bill receives second reading I will propose that it be referred to the Standing Committee on Transport and Communications.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Transport and Communications.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 2 to 21, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency

the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

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

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to authorize provisional payments for the 1959-60 crop year in respect of unthreshed grain in the Prairie provinces.

An Act to provide for short-term credit to Prairie grain producers.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, February 2, at 8 p.m.

THE SENATE

Tuesday, February 2, 1960

The Senate met at 8 p.m., Hon. Lionel Choquette, Acting Speaker, in the Chair.

Prayers.

SENATE ACCOUNTS

TABLED—REFERRED TO COMMITTEE

The Hon. the Acting Speaker: Honourable senators, I have the honour to inform the Senate that, in conformity with Rule 103, the Clerk has laid on the Table a detailed statement of his receipts and disbursements since the last audit, together with accounts and vouchers in support thereof.

Ordered: That the said accounts and vouchers be referred to the Standing Committee on Internal Economy and Contingent Accounts.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I have quite a number of documents to table and I would ask the honourable senator from Hanover (Hon. Mr. Brunt) to read the list for me.

Hon. William R. Brunt: The list is as follows:

Public Accounts of Canada, Volume I, for the fiscal year ended March 31, 1959, and report of the Auditor General for the fiscal year ended March 31, 1959, pursuant to sections 64(1) and 70(2) of the Financial Administration Act, Chapter 116, R.S. 1952.

Public Accounts of Canada, Volume II, being financial statements of Crown corporations, for the fiscal year ended March 31, 1959, pursuant to section 64(1) of the Financial Administration Act, Chapter 116, R.S. 1952.

The Canada Gazette, Part II, Statutory Orders and Regulations, 1960, of Wednesday, January 27, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report on the administration of Old Age Assistance in Canada for the fiscal year ended March 31, 1959, pursuant to section 12 of the Old Age Assistance Act, Chapter 199, R.S. 1952. (French text).

Report on the administration of allowances for disabled persons in Canada for the fiscal year ended March 31, 1959, pursuant to section 12 of the Disabled Persons Act, Chapter 55, Statutes of 1953-54. (French text).

Capital Budget of the National Harbours Board for the year ending December 31, 1960, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952, together with copy of Order in Council P.C. 1960-67, dated January 15, 1960, approving same.

Report of work performed and expenditures made as of December 31, 1959, together with estimated expenditures for 1960, respecting the construction by the Canadian National Railway Company of certain terminal facilities in the vicinity of the City of Montreal, pursuant to section 11 of the Canadian National Montreal Terminals Act, Chapter 12, Statutes of 1929.

Utilities Claims Settlement Agreement between the Government of the United States of America as Unified Command and on its own behalf and on behalf of certain other governments and the Government of the Republic of Korea. Signed at Seoul, December 18, 1958. (English and French texts).

Agreement between the Government of Canada and the International Atomic Energy Agency for the supply by Canada of uranium to the Agency. Signed at Vienna, March 24, 1959. (English and French texts).

Exchange of notes between Canada and the United States of America to amend the agreement of June 4, 1949, for air services between the two countries. Signed at Ottawa, April 9, 1959. (English and French texts).

Exchange of notes concerning the construction and equipment required for the augmentation of communications facilities at Cape Dyer, Baffin Island (DEW EAST). Signed at Ottawa, April 13, 1959. (English and French texts).

Agreement between the Government of Canada and the Government of Pakistan for co-operation in the peaceful uses of atomic energy. Signed at Ottawa, May 14, 1959. (English and French texts).

International agreement for the creation in Paris of an International Office of—

—I have to take my time on this next word—

—Epizootics. Done at Paris, January 25, 1924. Canadian Instrument of Accession deposited April 14, 1959. (English and French texts).

Hon. Mr. Macdonald: What does the word mean?

Hon. Mr. Brunt: I do not know. Frankly, I never saw the word before in my life.

An hon. Senator: How do you spell it?

Hon. Mr. Brunt: I will have to take the spelling from this list. It is "e-p-i-z-o-o-t-i-c-s".

Hon. Mr. Macdonald: My honourable friend on my left (Hon. Mr. Vaillancourt) informs me that it is the name of a disease of animals.

Hon. Mr. Brunt: The list continues:

Declaration on the provisional accession of the Swiss Confederation to the General Agreement on Tariffs and Trade. Signed at Geneva, May 4, 1959. (English and French texts).

Protocol relating to negotiations for the establishment of a new Schedule III—Brazil—to the General Agreement on Tariffs and Trade. Signed at Geneva, April 21, 1959. (English and French texts).

Declaration extending the Standstill Provisions of article XVI:4 of the General Agreement on Tariffs and Trade done on November 30, 1957. Signed at Geneva, April 21, 1959. (English and French texts).

Procès-verbal extending the validity of the Declaration extending the Standstill Provisions of article XVI:4 of the General Agreement on Tariffs and Trade done on November 22, 1958. Signed at Geneva, April 21, 1959. (English and French texts).

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce: Honourable senators, I present some 18 petitions for divorce. These make a total of 413.

REPORTS OF COMMITTEE

Hon. Mr. Roebuck presented reports of the Standing Committee on Divorce Nos. 37 to 66, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-1, for the relief of Frank Gerald Donnelly.

Bill SD-2, for the relief of Romeo DiIorio.

Bill SD-3, for the relief of Marie Evelina Simone Lorette Charest Gelinas.

Bill SD-4, for the relief of Yvette Dubois Leduc.

Bill SD-5, for the relief of Lily Cohen Turner Hamburger, otherwise known as Lily Cohen Turner Hamburg.

Bill SD-6, for the relief of Marthe Turcotte Bazire.

Bill SD-7, fo rthe relief of James Joseph Kalmin.

Bill SD-8, for the relief of Barbara Dolores Jones Ogilvie.

Bill SD-9, for the relief of Margaret June Barrie Belanger.

Bill SD-10, for the relief of Hannah Margaret Burlie Griffiths.

Bill SD-11, for the relief of Ruth Sherman Roll.

Bill SD-12, for the relief of Francis Lawrence Bray.

Bill SD-13, for the relief of Bervely Cowan Moore Robinson.

Bills read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

GOVERNMENT-OWED ICE-BREAKERS

VESSELS AND PLACES OF OPERATION

Hon. Gordon B. Isnor inquired of the Government, pursuant to notice:

What are the names of the Government-owned ice-breakers used by the Department of Transport? Give name of each ice-breaker as used by the Department of Transport, and the place of operation as of January 19, 1960.

Hon. W. M. Aseltine: Honourable senators, I have the following answer to the honourable gentleman's inquiry:

The Department of Transport operates nine ice-breakers. These are shown below, together with their area of operations as of January 19, 1960:

Wolfe	Ice-breaking for local traffic in Rimouski area.
Sir Humphrey Gilbert	Lighthouse supply and buoy work in St. John's, Nfld., area.
Labrador	Under repair at Halifax.
Saurel	Ice-breaking assistance to tanker at Pictou.
d'Iberville	Breaking ice west of Sorel to prevent flooding in the Montreal area.
Ernest Lapointe	Breaking ice west of Sorel to prevent flooding in the Montreal area.
Montcalm	Escorting local traffic in Quebec, P.Q., area and protecting Quebec Bridge.
N.B. McLean	Standby for ice-breaking service in Baie Comeau area.
Camsell	General duties at Victoria, B.C.

In addition to the above ships, the department also operates eight vessels which are reinforced and used for light ice-breaking as necessary. These are shown below together with their area of operations as of January 19, 1960:

Brant	Halifax area.
Edward Cornwallis	Repairing fire damage at Halifax.
Walter E. Foster	Saint John, N.B.
Sir William Alexander	Halifax area.
Alexander Henry	Laid up at Port Arthur.
Tupper	Charlottetown, P.E.I.
Simon Fraser	Victoria, B.C.
Vercheres	Georgian Bay area.

SENATE PAGES HOCKEY TEAM

On the Orders of the Day:

Hon. Mr. Brunt: Honourable senators, before the Orders of the Day are proceeded with, I would like to inform the house that Canada's youngest hockey league opened its schedule on Saturday last at the Aylmer arena. I am also pleased to be able to report that the team composed of the page boys of the Senate defeated the page boys of the House of Commons by a score of 6 to 2.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Wednesday, January 27, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

Hon. W. M. Aseltine: Honourable senators, a year ago, in opening my remarks in the debate on the Speech from the Throne, I stated how pleased I was to see in attendance on both sides of the chamber so many of my friends, all in good health, full of vim and vigour, and ready and anxious to get ahead with the session's business. I do not intend to repeat those remarks on this occasion, but those are my sentiments tonight. I want you to know, honourable senators, that I have a very high regard indeed for each and every one of you.

We had a good session in 1959, and we accomplished a great deal of work, if the size of the volume of debates of the session is any indication. It is the largest volume since 1923.

In spite of what the Leader of the Opposition (Hon. Mr. Macdonald) said the other day about the contents of the Speech from the Throne, I expect the session of 1960 to be a busy one. There is a great deal of legislation to come before us. I would like to remind honourable senators that last year I was able, on behalf of the Government, to introduce in the Senate quite a number of Government bills which were considered here first and then were sent to the House of Commons for consideration there. I hope to be able to do as well this year, or perhaps a little better. Also there will be a certain number of joint committees of the Senate and House of Commons set up, to which members on both sides of this chamber will be appointed. I trust that the goodwill and co-operation which prevailed last session will continue throughout this session. Every possible opportunity will be given honourable senators to examine the legislation brought before this house.

Some remarks were made last week with respect to the attendance of ministers and deputy ministers as witnesses before committees to which bills are referred by the Senate. I would like to remind honourable senators that in the past we have had ministers themselves appear before our standing committees. For instance, the Minister of National Defence, the Honourable Mr. Pearkes, came before the Standing Committee on External Relations and dealt with NORAD. Also, the Minister of Agriculture, the Honourable Mr. Harkness, attended at one of our committees to explain the South Saskatchewan Dam Project. I believe the Minister of Finance, the Honourable Mr. Fleming, appeared before our Banking and Commerce Committee to explain the Estate Tax Bill. On several occasions we have had deputy ministers as witnesses. I recall at the moment the Deputy Minister of Justice—

Hon. Mr. Macdonald: And the Honourable Mr. Hamilton also came up.

Hon. Mr. Aseltine: Yes, the honourable Alvin Hamilton, Minister of Northern Affairs and National Resources, has been before Senate committees two or three times.

I want you to know, honourable senators, that on every occasion we will do our best to obtain either the minister or his deputy, or some other highly informed official, to give information to the members who attend committee meetings.

I would like now to thank the honourable Leader of the Opposition for the very kind remarks which he made about the three new members of this chamber. He welcomed them in his usual interesting manner, and I am sure they greatly appreciated his remarks. I also wish to say something about the new senators, but in a little different order. I propose to welcome them in order of seniority. First, the Honourable Senator Blois. He was kind enough on very short notice, indeed, to second the motion for an address in reply to the Speech from the Throne. I think I can say for all of us that he did an excellent job, and I am sure he will be a very valuable member of this chamber. He has had long experience in municipal affairs of his native province. He was a councillor of Truro for many years, and he was deputy mayor. He was a member of the Truro Electric Commission, Chairman of the Board of School Commissioners, a trustee of Colchester County Hospital, President of the Board of Trade, and for a long time Managing Superintendent of Stanfields Limited, of which firm he is still a director. He also is a

director of a number of other companies: Electrical Distributors Limited, Atlantic Electric Stores Limited and Colchester Broadcasting Company. At the time of his appointment to the Senate he was, as has already been stated, Executive Assistant to the Minister of Highways for Nova Scotia. For that reason he was made a member of our Standing Committee on Transport and Communications, where his advice and assistance should be valuable in connection with highway matters.

I would like to read a sentence or two from an editorial in a Halifax newspaper:

> The new appointee to the illustrious Upper House, Fred Murray Blois of Truro, has the advantage of having served as an executive in private enterprise, a community leader, a legislator and a civil servant—a combination that should give him a particularly good grasp on the wider affairs of state that he now will be called upon to study and adjudge. He is a man with a keen mind and insight into public affairs and with a continuing record of wise judgments. He will be a valuable addition to the chamber of sober second thought in Ottawa.

Honourable senators, next I would like to say a few words about our new lady senator, Olive Lillian Irvine, of Winnipeg, Manitoba. Mrs. Irvine is a real westerner. She was born, brought up and educated in Manitoba, where she has lived all her life. She taught school for some time, as did many others of us here. If I may say so, I also was a teacher in Manitoba. My first school was in a little town called Pilot Mound. I taught at other schools in that province and at one or two in Saskatchewan during summer holidays when I was a university student. Senator Irvine has had the same type of experience. She is also very familiar with public affairs through a long and varied experience in women's work and with philanthropic organizations and, as was previously stated, she was recently appointed a representative on the National Capital Commission, to which she made a very worthwhile contribution. It was the record of her achievements in these spheres that earned her an appointment to the Senate, for which she is well qualified. Honourable senators should not forget that it was a group of women from the Prairies who, some thirty years ago, launched a campaign to have the women of Canada designated as "persons". In spite of that fact, it is noteworthy that Senator Irvine is the first woman from the Prairies to be appointed to the Red Chamber. I heartily welcome her, and I know that she will take a prominent part in the business of the Senate.

Honourable senators, I now have the pleasure of saying a few words about my good friend the Honourable Henri Courtemanche, P.C., B.A., LL.B., who has been well known to most of us for quite a number of years. He was first elected to the House of Commons in 1949. In 1953 he was unsuccessful in the federal elections but was re-elected in 1957 and in 1958, and shortly thereafter he became Secretary of State of Canada. I have known him more or less intimately during all these years. He is a lawyer by profession and I feel sure he will find plenty of scope in the Senate for his many talents.

I wish to congratulate him most sincerely on the very fine speech he made in moving the address in reply to the Speech from the Throne. He had practically no time at all in which to prepare his speech. I do not know whether he worked all night on it, but he delivered it the very day after he was sworn in as a senator. I did not think of asking him to say a few words in English with the result that he made his entire speech in French, but I assure you that the honourable senator is bilingual and we shall be hearing from him frequently in both languages. I welcome him most heartily to the Senate.

I was going to make a few complimentary references to His Honour the Speaker, but he was not able to be present tonight, so I shall make those remarks later. I know that everyone here is glad that His Honour is in good health and will be with us during this session. He performs a very important function in the Senate. He conducts affairs of Parliament and presides over our sittings impartially and fairly at all times.

Honourable senators, I have a very high regard for the honourable Leader of the Opposition and I would like to say a few things about him. The position of Leader of the Opposition in the Senate is, in my opinion, a highly important one, and it has been most capably filled by the honourable senator from Brantford (Hon. Mr. Macdonald) during the three years he has held it. His experience as a former Speaker of the House of Commons and later as Leader of the Government in the Senate is a valuable asset, and his good advice with respect to the conduct of the affairs of this chamber has always been much appreciated by me. I am glad he is in good health and still with us.

Next I wish to refer to two important events which took place in 1959. The opening of the St. Lawrence Seaway by Her Gracious Majesty Queen Elizabeth II and her six weeks' visit to Canada with His Royal Highness the Prince Philip, Duke of Edinburgh, were, in my opinion, the highlights of the year, Many of us saw the first ship pass through the St. Lambert Lock, and shortly thereafter were present at the official opening of the Seaway by Her Majesty and the President of the United States of America. That was an historical event of great national significance,

in that the Queen of Canada and the President of the United States of America met on the most friendly terms on Canadian soil for the ceremonies. On her tour of Canada our Queen, with Prince Philip, met Canadians in all walks of life. They saw Canada from east to west and from south to north, and endeared themselves to everyone. We wish Her Majesty good health, a long life and much happiness. Our hope is that she and her family will visit us again in the near future. We also wish her well in the difficult days that lie ahead, probably this week or next week; and we all say "God Save the Queen".

Another event of significance in 1959 was the installation of a new Governor General in the person of Major General Georges P. Vanier. His Excellency succeeded the Right Honourable Vincent Massey, who had illustriously filled the office of Governor General for the past seven and a half years. Those of us who attended the installation ceremonies were much impressed with the dignity of the new Governor General, his facility in both French and English, and the graciousness of his charming wife. We wish him every success in his important new position.

I agree wholeheartedly with the remarks made last week by the Leader of the Opposition, when he spoke with great respect about these two distinguished Canadians. The appointment of the Right Honourable Vincent Massey as the first Canadian-born Governor General at the suggestion of the then Prime Minister, the Right Honourable Louis St. Laurent, was a happy one. The appointment of Major General Georges P. Vanier, as the second Canadian-born Governor General, at the suggestion of our present Prime Minister will, we believe, also be a happy choice. In this connection, I would like to make a few remarks which have no political significance whatsoever. Prior to the appointment of the Right Honourable Vincent Massey all the previous Governors General had been residents of Great Britain. His appointment, made early in 1952, created a precedent. A session of Parliament opened in February of that year. Before that session opened I had a talk with the honourable senior senator from Ottawa (Hon. Mr. Lambert), who asked me if I had ever read the memoirs of Sir Robert Laird Borden. I said I had not. He advised me to read pages 900 and 901 of volume 2 of the memoirs, where I would find that Sir Robert was one of the first Canadians to advocate that someone other than a resident of Great Britain be appointed Governor General of Canada. Upon looking up the pages mentioned I found that in 1919 Sir Robert Borden met with Generals Botha and Smuts of South Africa and discussed this whole question, and they arrived at the decision that there was no reason at all why a resident of a country where a Governor General was going to be appointed should not be selected for the office. Sir Robert even went so far as to interview Lloyd George on the question, but the memoirs indicate that he did not get very much consideration at the time. After that, Sir Robert Borden talked the matter over with John W. Dafoe, editor of the Winnipeg *Free Press* with whom he was very friendly, and they came to the same decision. I do not intend to read from the pages I have mentioned. I would like to say, however, that on March 13, 1952 the honourable senior senator from Ottawa made an excellent speech in the Senate, in which he referred to Sir Robert's attitude and gave quotations from his memoirs. These may be found at pages 46 and 47 of the *Debates* of *the Senate* for 1952.

Honourable senators, with those preliminary remarks, I would like to say something about employment. The Leader of the Opposition was, I thought, more or less critical the other day when he made his remarks about employment.

Hon. Mr. Macdonald: No doubt of that, I hope.

Hon. Mr. Aseltine: I thought so, anyway. Nevertheless, I still have a high regard for him. However, he completely overlooks the municipal incentive works programs, which at the present time are employing many men throughout the whole of Canada.

Hon. Mr. Macdonald: How many?

Hon. Mr. Aseltine: Last year there were some 40,000 persons employed. This year, on account of the fact that we were able to start earlier, there are at present some 34,000 persons employed, and the number is going up every day and is expected to reach 50,000. I know they are doing work in parts of Saskatchewan. The municipality of Rosetown, for example, has a project under way and it has been approved by the Government.

The honourable Leader of the Opposition also overlooked the fact that, all in all, 181,000 more Canadians are at work this winter than was the case a year ago. His figures were based on registrations made with the Unemployment Insurance Commission, but they do not give the true picture.

I would remind honourable senators that this is not the first time we have had unemployment in Canada. There was unemployment during the time the former Government was in power. In fact, in 1954 and in 1955 unemployment was very serious. The Right Honourable C. D. Howe, in the House of Commons, was put to it on several

occasions to explain why there was so much unemployment. In February and June 1954 and in 1955 he stated emphatically that registrations with the Unemployment Insurance Commission did not show the true picture of unemployment, that the true picture was the one which the Dominion Bureau of Statistics gave out. He stressed that point strongly. I can refer to the pages in *Hansard*, if desired, but I think most honourable senators agree with what I have said.

The latest report of the Dominion Bureau of Statistics, for mid-December, showed there were 370,000 unemployed, which is 5.9 per cent of the labour force. At the corresponding time in December 1958 the unemployed represented 7.2 per cent of the labour force. In September, 1959, according to a statement made by the President of the Canadian Bank of Commerce, less than 3 per cent of the labour force in Canada was unemployed, which, he said, allowing for temporary unemployment and unemployables, was considered to be full employment. Well, if 3 per cent unemployment in September was full employment, then 5.9 per cent unemployment in December—taking into consideration seasonal factors—is a pretty good showing.

As I said before, the former Liberal Government had similar problems when it was in power. I would like to give some Dominion Bureau of Statistics figures to honourable senators, beginning with 1946. That year the unemployment figure was 4.6 per cent of the labour force. In 1947 it was down to 3 per cent.

Hon. Mr. Hugessen: What date in each year?

Hon. Mr. Aseltine: I have not got the date in each year.

Hon. Mr. Hugessen: Is that the average for the full year?

Hon. Mr. Aseltine: I think that would be the figure in the fall.

In 1948, it was 3.2 per cent; in 1949, 4 per cent; in 1950, 6.1 per cent.

Then, of course, the Korean war started and employment was practically full for some time. At any rate, in 1951 it was down to 3.3 per cent; in 1952, it was 4 per cent; in 1953, 3.4 per cent. In February 1954 it went up to 6 per cent, and to 7 per cent in March 1954. In March 1955 it was 7.4 per cent of the labour force. In 1956 it was 5.5 per cent; in 1957, 5.6 per cent. In 1958, when the recession was under way, it went up to 9.4 per cent. In December 1959 it was down again to 5.9 per cent.

This, honourable senators, shows the trend ever since 1946. As I say, unemployment is not a new thing in Canada. It seems to work in cycles, and the former Government had plenty of it to contend with.

Next, I wish to say a few words about Canada's defence policy. The honourable Leader of the Opposition will, I know, pardon me for making reference to him again. He complains that no mention of defence is made in the Speech from the Throne. Now it is true that within recent years there has been some mention of the defence forces in the Throne Speech, but there is no requirement that every department of the Government should be referred to therein. During most of the period that I have been a member of the Senate the party now in opposition was in power, and I cannot remember any Speech from the Throne which mentioned everything that the Government intended to deal with during the session.

The policy of the present Government with respect to defence was clearly stated in the White Paper of April 1959. I have a copy of it in my hand. Anyone who reads Part I, Defence Policy, will find there the policy of the present Government with regard to defence.

In so far as fiscal and financial policy is concerned, I leave that for the economists. I prefer that they deal with it. I would like to refer honourable senators to certain speeches made recently by the Minister of Finance: one on October 8, 1959 to the Empire Club of Canada, at Toronto; one on November 4, 1959 at the Union Commerciale Mauricienne, at Shawinigan, Quebec; and one on January 11, 1960 to the Canadian Club of Toronto.

I am sure that the Government and the Minister of Finance are doing everything in their power to prevent inflation and to balance the budget, and I think they should have the co-operation and assistance of all of us to accomplish that end. Honourable senators, I don't know the difference between tight money and loose money. I don't know that there is such a thing as tight money. But if there is tight money, there must be loose money, and exactly what either term means or how far we should deal with it, I do not know. I am not an expert in money matters, and I leave those questions to the people who understand them.

Honourable senators will remember that when I spoke about this time last session in the debate on the Speech from the Throne I tried to show that 1958, everything considered, had been a pretty good year and that Canada was making good progress in conquering the recession. There were some cases of business failures, but on the whole 1958 was a pretty good year, and I think I was able to convince honourable senators to

that effect. I remember also stating at that time that I had great hopes for 1959. Nevertheless, there were quite a number of pessimistic speeches made during that debate and I found myself almost, if not entirely, convinced that we were on the downgrade, that we were facing disaster, and that 1959 might be the beginning of the end.

But what do we find? One only has to read the newspapers, and particularly the financial papers, to learn that 1959 was one of the better years in Canada, that we in that year experienced quite a boom, and that the prospects for 1960 are better than ever. Over the past two or three months I have been taking clippings from various financial and other newspapers of Canada, and I have gathered quite a pile of them, which I could have brought with me to show what they indicate. I may say, taking them all in all, they lead me to the belief that 1959 was an exceptionally good year. It is true there were some failures, but in my opinion, and if the clippings which I have gathered from the newspapers are correct, it was almost a boom year.

While dealing with 1959, let me say a few words about agriculture. Canada in that year enjoyed a reasonably successful year. Cash farm income from the sale of products for the nine-month period from January to October was more than $2 billion, which was up 2 per cent from the like period of 1958. Cash farm income in that nine-month period of 1959 was higher in all provinces, except Prince Edward Island, New Brunswick and Saskatchewan. Returns from livestock and livestock products amounted to almost $36 million more than in the corresponding period of 1958. The return from field crops was about the same as in 1958, about $720 million. However, there were lower returns from wheat, oats, potatoes, fruits and vegetables, which were more or less offset by higher Wheat Board payments, sale of barley, flax and tobacco. These figures for the nine-month period of 1959 do not include Newfoundland.

I have in my hand the figures for the corresponding nine months in 1957, which give the total cash income for that year for all provinces except Newfoundland as $1,845,929,000; for the corresponding period in 1958, the figure was up to $2,007,769,000; in 1959 it was up to $2,048,442,000; and in all provinces, except the ones I have mentioned, the cash income was up somewhat.

Hon. Mr. Pratt: May I ask the honourable leader why he leaves Newfoundland out of these figures?

Hon. Mr. Higgins: I presume it means we have no income at all in Newfoundland.

Hon. Mr. Golding: Will the honourable leader tell us the net farm income for 1957 and 1958? He cannot know the net figures for 1959 yet, but we would like to know the net figures for agriculture for 1957 and 1958.

Hon. Mr. Aseltine: The information I have shows just the total cash income. The total cash income for all of 1959 was $2,776 million, which is approximately the same as for all of 1958.

Next, I would like to say something about trade in 1959. During 1957 and 1958, which were recession years, world trade fell by 7 per cent. In the United States of America exports fell by 17 per cent. In other recessions Canada suffered a decline in commodity exports, but in 1957 we set an all-time high record for sales and volume of exports. In 1958 we came within 1 per cent of 1957. For the first 10 months of 1959 our exports increased 3 per cent over those of 1958, and for the whole year they amounted to approximately $5,200 million. In ten years exports have increased by $2 billion, and imports by about the same amount. Canada has maintained her position as the fourth trading nation in the world.

Trade relations between Canada and the United Kingdom recently have shown steady improvement. Imports from Great Britain have risen from a pre-war figure of $114 million to $522 million in 1957, and to $527 million in 1958.

Hon. Mr. Hugessen: To what year does the figure of $114 million apply?

Hon. Mr. Aseltine: I have not the year; I have it just as a pre-war figure. I took that information from a speech made by the Minister of Trade and Commerce. I will try to find out what year was referred to. The pre-war figure was $114 million. By 1957 it was up to $522 million; and by 1958, to $527 million; and it will be approximately $580 million for 1959. Exports to the United Kingdom remained close to $800 million during the four years preceding 1959, and were approximately the same in that year.

With the removal of import quotas and restrictions the United Kingdom market is now opening up and there are prospects of an increase in trade between the two nations.

Honourable senators will remember the Commonwealth Trade and Economic Conference held in Montreal in 1958. After that conference the United Kingdom made three major liberalization moves in the latter part of 1958 and early 1959. Controls were completely removed from a wide range of items, such as foodstuffs, manufactured consumer goods, machinery and equipment. As a result, exports of canned salmon increased from $4.6

million in the twelve months ending September 30, 1958 to $30.4 million in the same period of 1959. Liberalization of cheese took place in June of 1959. Our exports of cheese to the United Kingdom totalled $5.2 million as compared with $1.9 million in the corresponding months of 1958. Other liberalized items, such as honey, canned soups, leather footwear, synthetic fabrics, cotton dresses, electric ranges, tools and certain types of machinery, are now being exported to the United Kingdom in substantially increased quantities. Also, honourable senators, effective on February 1, 1960—yesterday—the United Kingdom restrictions were removed from unmanufactured tobacco, tobacco manufactures other than cigars, synthetic rubber, fresh, chilled and frozen fish, and transistors. This is also the case with an increasing number of other countries with which we trade. World-wide institutions such as the International Monetary Fund, the International Bank, and the General Agreement on Tariffs and Trade have been, and will continue to be, a big help.

However, our imports have been rising more rapidly than our exports, and as a consequence our trade deficit for 1959 will likely not be much less than it was in 1956, when we had a record deficit. Personally, I am not greatly worried about that—perhaps I should be—because we are now embarking on a period of great expansion. Our economy has been developing very rapidly, and during such periods it has not been unusual for large trade deficits to occur. The imbalance is usually taken care of by the inflow of capital funds. Canadian exports now find their way into 129 different countries. Markets are opening up all over the world for Canadian products that can compete with the products of other exporting countries. All we have to do is to keep our costs low enough and go after the business, and we will be able to take full advantage of these new markets.

Something else having to do with trade is the completion of the St. Lawrence Seaway, to which I wish to refer briefly, and to compare it with the route via Churchill on Hudson Bay in which my honourable friend from Blaine Lake (Hon. Mr. Horner) is so much interested. The St. Lawrence Seaway, which was opened to shipping in 1959, establishes a new major artery of international trade which should benefit the whole of Canada. By reducing the number of locks from 22 to 7 a saving of time averaging 20 hours has been achieved, and by the construction of a 27-foot waterway instead of one of 14 feet larger ships are able to go through without transshipment of their cargoes. Formerly the maximum load was 2,500 tons, and this has now been increased ten times, to 25,000 tons. As a westerner, I am particularly interested in the fact that large lakers carrying up to a million bushels of grain will now be able to go from the head of the lakes to the Gulf of St. Lawrence without unloading. This should reduce freight charges on the movement of grain from the Prairies to the Atlantic, and it will naturally mean a saving of several millions of dollars every shipping season for the grain growers of western Canada. I recently read a speech by the Minister of Transport in which he is reported as saying:

> Already the trend to larger ships and larger cargoes is becoming evident in the results of the first few months of operation. The overall average load on the St. Lawrence up until the end of August was 3,500 tons which is considerably higher than the maximum cargo capacity of the old canals. We can expect the trend towards larger cargoes on the seaway to continue, since it is too early for the complete replacement of older and smaller vessels.

After reading that, and seeing in the press that one ship had carried one million bushels of oats through the Seaway in one load, I was disappointed to learn that the average cargo was so small.

Naturally, as a wheat grower, I am personally interested in the Hudson Bay route. I would like to refer honourable senators to a report by the secretary of the Hudson Bay Route Association which appeared in the Saskatoon *Star-Phoenix* of October 21, 1959. It states that almost twice as much wheat per ship was shipped from Churchill as from Fort William in 1959, despite the fact the opening of the St. Lawrence Seaway brought ocean-going ships to the Great Lakes ports. The report goes on to say that the northern sea route to Europe out of Churchill is 1,000 miles shorter than from the lakehead and means a saving of 17 cents per bushel on some 21½ million bushels carried by 58 ships with an average cargo of 370,000 bushels. The report further states that it took 70 ocean-going vessels to carry 13½ million bushels from the lakehead, an average shipment of 190,000 bushels.

I always have been an advocate of increasing the facilities at Churchill. I have always been an advocate of the St. Lawrence Seaway also, and I feel sure that when the Seaway becomes better known larger ocean-going ships will take advantage of it, with the result that the carrying charges of grain from the west will be considerably reduced. When that takes place our trade will be increased with all foreign countries.

With reference to my statement that 1959 was a prosperous year and one of the best we have had, may I say I found in the *Financial Post* of December 12, 1959 an

article with regard to Newfoundland, stating that the landings of fish were running about 20 per cent above 1958. The value of the catch was up 28 per cent, reflecting better prices, and for the ten months ending October last the total landings were 527.7 million pounds, compared with 443.5 million pounds for the same period in 1958. The value of the 10 months' catch was $14 million, as against $10.9 million in 1958.

Honourable senators will be glad to know that I am almost finished speaking of 1959 as such a good year, but I would like to summarize some of the highlights of the year before I leave this part of my speech. Industrial production increased by 8 per cent, resulting in total employment being on the average 3 per cent higher than in 1958. By November 1959 unemployment was 18 per cent below the level of the year before. And on account of increased rates of pay and steadier employment, labour income increased by 8 per cent over the previous year, 1958. There was a rise in 1959 in consumer spending, which was up 6 per cent in the total, and while Canadians have been spending more they have also been saving more.

In 1959 there were 140,000 housing starts, which were somewhat fewer than in 1958, but the completions were approximately the same, 147,000. I saw a newspaper article which said that in the city of Calgary new construction had reached $100 million for the second year in succession, of which amount housing starts accounted for $42 million. In the city of Saskatoon building permits were the highest in history, having increased by $5 million over 1958, to $35 million. There were 1500 new homes erected.

I have already mentioned our total exports in 1959 as being $5.2 billion. Principal increases were in wood, mineral and metal products, including lumber, woodpulp, newsprint, iron ore, iron and steel and asbestos. Sales of wheat were down somewhat, but held fairly close to the high level of 1958. The flow of heavy exports of beef to the United States tapered off somewhat, but retail sales were higher than ever in 1959. In Saskatchewan they reached nearly the $1 billion mark, up 3.75 per cent from 1958.

In 1959 the gross national product was up by 7 per cent over 1958. The premium on the Canadian dollar is still quite high. Farmers would like to see the premium on the Canadian dollar reduced, to give them more money for their crops. A reduction in the premium might help to increase trade. At any rate, the Canadian dollar still remains high, some 5 per cent or so above the United States dollar.

Production of farm implements in 1959 was up. Production of natural gas was up one-fourth over the figure for 1958, and estimated 1959 production is 428 billion cubic feet. Production of crude petroleum is up 27 million barrels, and during the week ending January 2, 1960, Canada's steel mills operated at 102.5 per cent of rated capacity. Production of steel ingots in 1959 was nearly 6 million tons, 30 per cent greater than that of 1958, and 12 per cent above the previous record of 1956. Pig iron showed a similar percentage increase over the previous peak of 1957. Production of motor vehicles was up by 4 per cent over 1958.

Railway car loadings also were up. Canadian mills shipped to all markets 6½ million tons of newsprint in 1959, which was quite an increase over that of 1958. No doubt, honourable senators, I could mention many other instances to show what a wonderful year 1959 was.

Now let us look for a moment at 1960. According to a survey made by the *Financial Post*, 1960 will be a record year for many. Some one hundred executives in various kinds of businesses were interviewed, and the survey shows relative price stability at a very high level of sales and profits. These executives see:

(a) Domestic sales up in 1960 for three-quarters of all companies; others will hold their own.

(b) Exports will show sturdy year to year gains.

(c) Prices will remain more or less stable with most firms, with a moderate rise in others.

(d) Wages may be up slightly.

(e) Overall spending will show a modest year to year gain.

All this applies to mining, oil, public utilities, merchandising, construction, food, textiles, pulp and paper, beverages, miscellaneous products such as chemicals, drugs, rubber and tobacco.

(f) Gross national product expected to be up from 5 per cent to 7 per cent.

Statements made by our bank presidents at their annual meetings are generally optimistic for 1960.

The recession appears to have been overcome and we may be entering a boom period. If so, the trouble will be to keep the boom within bounds and under control.

From what I have said, 1960 should be a year of new growth in most sectors of the Canadian economy. There is only one way for Canada to go, and that is forward. I look ahead to the future with great confidence. I have great faith in our people and in our country. I believe we have the wisdom and the courage to face the challenges of the future in such a way that by the collective efforts of the Canadian people, with industry, labour and all other segments

of our economy working together, and the Government co-operating, we can, if given peace, rise to heights undreamed of.

On motion of Hon. Mr. Robertson debate adjourned.

NEWFOUNDLAND FISHERIES LAWS REPEAL BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. John G. Higgins moved the second reading of Bill S-3, to repeal certain fisheries laws of Newfoundland.

He said: Honourable senators, this bill was initiated in the Senate. Under Term 22 of the Terms of Union between Newfoundland and Canada certain fisheries laws, relating to the export marketing of salt fish from Newfoundland to other countries or to any province of Canada, were defined. These had all been passed by the Legislature of Newfoundland prior to Confederation, that is, before April 1, 1949. They were as follows:

Act No. 11 of 1936 entitled An Act for the creation of a Newfoundland Fisheries Board; Act No. 14 of 1936 entitled An Act to prevent the export of fish without license; and Act No. 10 of 1942 entitled an Act respecting permits for the exportation of salt fish. There were also acts passed in 1938, 1942, 1943 and 1944, all of which were nothing more than amendments to the first act, namely, the one that created the Fisheries Board.

Term 22 of the Act of Union set out that the fisheries laws of Newfoundland and all orders, rules and regulations made thereunder should continue in force in Newfoundland, as if Union had not been made, for a further period of five years from the date of Union, and thereafter until the Parliament of Canada should otherwise provide; and that these laws were to be continued to be administered by the Fisheries Board. The Fisheries Board had, as I have remarked, been created by Act No. 11 of 1936. The Terms of Union did provide—and this has nothing to do with the matter before us, because the period expired in 1954—that the fisheries laws could be repealed or altered by the Parliament of Canada with the consent of the Lieutenant Governor in Council of Newfoundland within the period of five years.

I may also say that under Term 18 of the Terms of Union all laws in force in Newfoundland at, or immediately prior to, the date of Union should be continued as if the Union had not been made, subject to repeal or alteration by the Parliament of Canada or the Legislature of the Province of Newfoundland according to the authority of the Parliament or the Legislature under the British North America Act and amendments thereto. Likewise, all orders, rules and regulations made under any such laws should be continued subject to revocation or amendment by the appropriate constitutional authority.

In 1959 one of the acts mentioned, namely, No. 10 of 1942, entitled An Act respecting permits for the exportation of salt codfish, was repealed by the Parliament of Canada. Honourable senators will find the bill repealing this act discussed in the *Debates of the Senate* for 1959, at page 1048. In moving the second reading of this bill I said, as appears on that page:

> The purpose of this bill is to repeal Act No. 10 of the Statutes of Newfoundland, 1942 which is The Exportation of Salt Fish (Permits) Act, 1942. This act is restated in chapter 211 of the Revised Statutes of Newfoundland, 1952. From the bill itself it would seem that there are two acts, namely, The Exportation of Salt Fish (Permits) Act, 1942, No. 10 of the Statutes of Newfoundland, and The Exportation of Salt Fish (Permits) Act, chapter 211 of the Revised Statutes of Newfoundland, 1952, but, as I have said, these are the same act.
>
> Under this act the exclusive right to market salt fish is held by the Newfoundland Associated Fish Exporters Limited, usually known as NAFEL, which is a name composed of the initial letters of the words in the full name. This exclusive right of NAFEL expires on July 31 of this year. After that date no permits for the exportation of salt fish shall be necessary.
>
> Under the Terms of Union between Newfoundland and Canada, NAFEL was continued in the right to this exclusive licence to export salt fish for five years. NAFEL had been given this right some years previously by an act of the Newfoundland Legislature. After the expiration of the five years, which was in 1954, that exclusive right was renewed year after year, up to 1958, when it was intimated to NAFEL that the right would cease one year thereafter, namely, on July 31, 1959.
>
> As the necessity to control exports of such fish by permits is no longer required, because the exclusive NAFEL export licence has been terminated, it becomes necessary to do away with the continuing requirement for export permits under the act by repealing the act.

The remaining acts—that is, all the acts except No. 10, which, as I have said, has been repealed—relate to the Fisheries Board, which, by virtue of paragraphs 2 and 3 of Term 22, had been brought within the jurisdiction of the Government of Canada. The said board has been continued to date.

Since the proclamation in Newfoundland, on May 1, 1958, of the Federal Meat and Canned Foods Act, which deals with all canned foods, including canned fish, and the Federal Fish Inspection Act, on July 1, 1959, and the repeal of Act No. 10, namely, the Exportation of Salt Fish (Permits) Act, as of August 1, 1959, the said Newfoundland Fisheries Board has ceased to have any functions. The remaining acts are still in effect, and the board still exists in theory, but for no

practical reason. These acts are now redundant and unnecessary and serve no useful purpose. They have been superseded by the Statutes of Canada relating to the fisheries that now have been brought into force in Newfoundland. Therefore it is proper and fitting to wipe them off the statute book, with all the rules, orders and regulations made thereunder, and consequently the Fisheries Board should go out of existence legally.

I may remark that the identity of Newfoundland fish is preserved.

An amendment to the regulations of the Fish Inspection Act added Schedule D, which deals entirely with the various kinds of Newfoundland fish. Anyone who wishes to learn about the kind of fish in Newfoundland, as well as the curing of fish, will I am sure get much enlightenment from a reading of this Schedule D.

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

PRIVATE BILLS

CANADIAN PUBLIC HEALTH ASSOCIATION—SECOND READING

Hon. Harold Connolly (Halifax North) moved the second reading of Bill S-9, respecting the Canadian Public Health Association.

He said: Honourable senators, this bill represents the combined views of officials of the Department of Public Health and the Canadian Public Health Association.

The original statute was brought down in 1912, and although there have been many changes in public health practices and conditions since that time the language of the statute itself has remained static. This bill represents an attempt to modernize the language of the statute and make it conform to present-day conditions.

If there are any major changes—and I don't think there are—they are confined to two provisions, for:

First, the lifting of the $250,000 limit on real property holdings. This limitation was incorporated in the original statute in 1912.

Second, some flexibility in the matter of the location of the head office. The head office up to now has been located in Ottawa, and it is contemplated to move it immediately to the city of Toronto, where it is felt the business of the association can be carried on more expeditiously.

Hon. Mr. Roebuck: May I ask the honourable gentleman a question? If the bill is expected to abolish the limitation on the association's ownership of real property, will the mortmain laws apply?

Hon. Mr. Connolly (Halifax North): I would think so. The practice in all statutes of this kind in recent years has been to remove limitations on the ownership of property. I recall that in 1958 the Canadian Women's Press Club came to us with a similar request and we agreed at that time to lift the limitation placed on its ownership of property.

There is no intention on the part of the Canadian Public Health Association to go into the real estate business. This amendment is requested simply because the operation of the association has grown. Originally its membership was composed of 12 or 15 members, but today it is in excess of 2,000. It works closely with the federal Department of Health and with the health departments in all provinces.

Hon. Mr. Brunt: Would the honourable senator say if the Canadian Public Health Association is composed of voluntary members right across Canada?

Hon. Mr. Connolly (Halifax North): It is entirely voluntary. As a matter of fact, although the association has never conducted a membership campaign, it hopes to gradually attract more voluntary members so that its objectives as regards public health generally will become more widespread.

Hon. Mr. Roebuck: What is the purpose of the association? What does it do?

Hon. Mr. Connolly (Halifax North): It is very active in such matters as polio, in diseases of crippled children, and in all matters pertaining to public health which have a direct application to Government ventures in all provinces, but which lack voluntary assistance aside from the Government support that is given.

Hon. Mr. Brunt: The objectives are set out in the explanatory notes.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Connolly (Halifax North) bill referred to Standing Committee on Public Health and Welfare.

UNITED CANADA INSURANCE COMPANY—SECOND READING

Hon. Léon Méthot moved the second reading of Bill S-7, to incorporate United Canada Insurance Company.

He said: Honourable senators, the purpose of this bill is to incorporate United Canada Insurance Company, which is sponsored by the Royal Exchange Group of insurance companies, the oldest and most important of which is Royal Exchange Assurance, which was founded in 1720.

In Canada seven members of the group were operating in 1959 and were licensed by the Department of Insurance at Ottawa. They are: Royal Exchange Assurance; Car and General Insurance Corporation, Limited; the Motor Union Insurance Company, Limited; The Local Government Guarantee Society Limited; National Provincial Insurance Company Limited; The State Assurance Company Limited; and United British Insurance Company Limited.

During the year 1959 the premium income of the Royal Exchange Group from its Canadian operations was in excess of $10 million. The group has on deposit with the Department of Insurance in Ottawa securities having a value in excess of $12,250,000.

The National Provincial Insurance Company Limited, The Local Government Guarantee Society Limited, and The State Assurance Company Limited have now withdrawn from doing business in Canada to make way for the new company. The deposits to the credit of these three companies will be transferred to the Royal Exchange Assurance which has assumed all liabilities of the three companies in question. It is intended to replace the three above-mentioned companies by a Canadian insurance company to be known as United Canada Insurance Company, which will be in a position to participate in the future growth and prosperity of Canada.

As honourable senators will see by section 1 of the bill, the applicants for incorporation are: Mr. James T. Buttery of Montreal, manager for Canada of the Royal Exchange Group, Mr. James Walker Henderson of Montreal, assistant manager for Canada of Royal Exchange Group, and Mr. A. J. Campbell, Q.C., of Montreal.

Section 2 of the bill provides that these persons shall be the provisional directors of the company.

By section 3, the capital stock of the company will be $1 million, divided into shares of $100 each; and by section 4, the amount to be subscribed before the general meeting is called for the election of directors shall be $500,000.

Section 5 provides that the head office of the company will be in Montreal.

By section 6 of the bill the company seeks authorization to write all classes of insurance other than life. The classes of insurance which the company will initially write are those set forth in section 7(1) of the bill.

It is proposed that the company will begin its operations with a paid-up capital and surplus of $780,000, divided as follows: paid-up capital, $520,000; paid in capital surplus, $260,000.

As honourable senators are aware, specific deposits are required by the Department of Insurance with respect to each class of insurance which an insurance company is licensed to write. The amounts set forth in section 7(2) represent the amounts of the deposits required with respect to the classes of insurance therein mentioned. The effect of that subsection is that the company must increase its paid capital or its surplus before obtaining permission to write the additional classes of insurance therein referred to.

Section 7(3) contains a requirement that the company must, through its operations, either increase its surplus or pay in more capital.

Section 7(4) provides that when capital paid in amounts to at least $500,000, and capital paid in together with surplus amounts to $1 million, the company may write all the classes of insurance authorized by section 6.

This bill is in the form which similar legislation has followed in recent years. It has been submitted to the Superintendent of Insurance and in its present form meets with his approval.

Objection is sometimes raised that there are too many insurance companies doing business in Canada, and that accordingly new companies should not be incorporated. Although I think this is not a very sound argument, I may say that in the present case the fact is that three British companies will withdraw from business in Canada and will be replaced by one company, which will be a Canadian company.

I trust that I have supplied honourable senators with the necessary information on second reading of this bill.

Hon. Mr. Brunt: Will the honourable senator permit a question? Could he tell us to whom the stock in this company will be offered? Will it be offered to the Canadian public, or will the Royal Exchange group take up all the stock?

Hon. Mr. Méthot: Honourable senators, I would not like to feel obliged to answer that question at the moment. I suppose the Royal Exchange group will certainly buy some stock. However, the bill, I expect, will be referred to a committee, and the manager of the company will be present and be able to answer that question.

Motion agreed to.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Méthot, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce Nos. 22 to 36, which were presented on January 28.

On motion of Hon. Mr. Roebuck, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 3, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. William R. Brunt: Honourable senators, last evening, when a number of documents were tabled, I read a brief description of each of them, and in one description there occurred the word "epizootics". Some honourable senators asked me the meaning of the word, but I was unable to give it. Fortunately, the honourable gentleman from Kennebec (Hon. Mr. Vaillancourt) was able to tell us what it meant: a disease of animals. I took the trouble to look up a dictionary, and I find it gives this definition:

Epizootic—pertaining to a disease affecting many animals at one time; correlative of epidemic—an epizootic disease; especially a form of influenza among horses.

I think that pretty well covers it.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 67 to 79, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-14, for the relief of Enid Grace Pascoe Dawson.

Bill SD-15, for the relief of George Barrington Redfearn.

Bill SD-16, for the relief of Shirley Veronica Hannah Groves.

Bill SD-17, for the relief of Leonia Szafarz Falk.

Bill SD-18, for the relief of Audrey Louise Bryan Sevigny.

Bill SD-19, for the relief of Janet McMillan Sim Sinclair Kerr.

Bill SD-20, for the relief of Jacqueline Joly Mazurette.

Bill SD-21, for the relief of Shirley Evelyn Ellis Bertram.

Bill SD-22, for the relief of Sally Emden Rohr.

Bill SD-23, for the relief of Barbara Steinberg Shapiro.

Bill SD-24, for the relief of Olga May Hospadaruk Edwards.

Bill SD-25, for the relief of Georgette Rosenberg Korman.

Bill SD-26, for the relief of Julianna Catharina Mehilercsik Jutras.

Bill SD-27, for the relief of Helen Kurtzman Bernard.

Bills read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

DEPARTMENT OF NATIONAL DEFENCE

NON-MILITARY TYPE AUTOMOBILES

Hon. Wishart McL. Robertson inquired of the Government, pursuant to notice:

What are the numbers of automobiles not purely of a military type owned by the Department of National Defence in

(a) Canada,
(b) United Kingdom,
(c) Continental Europe,
(d) U.S.A.,
(e) In any other geographical area?

Hon. W. M. Aseltine: Honourable senators, the answer to the honourable gentleman's inquiry is as follows: (a) 498, (b) 14, (c) 74, (d) 16, (e) 6.

DISARMAMENT

REPUBLIC OF CHINA

Hon. Mr. Robertson inquired of the Government, pursuant to notice:

1. Is the Republic of China included among the countries with which Canada will be associated in trying to reach a satisfactory basis for disarmament?
2. If not, why not?
3. Does the Canadian Government believe that a satisfactory arrangement for disarmament can be achieved if China, with the largest population in the world, is not included in the negotiations?

Hon. Mr. Aseltine: I have the following answer to the honourable senator's inquiry:

1. It is assumed that by "Republic of China" is meant the "Communist People's Republic of China." The answer to this question is "No".

2. The membership in the ten-power disarmament committee is the result of agreement reached by the Foreign Ministers of the United Kingdom, the United States, France and the Soviet Union to bring into being a disarmament negotiating group. This ten-power committee was set up following acceptance of the resulting invitations and

there is no suggestion for a change in the plan to have these ten nations deal with negotiations on the question of disarmament.

3. Our belief is that we must take one step at a time in this new approach to disarmament. The immediate problem is to reach some agreement with the five Eastern powers which are to be members of the ten-power team. Depending upon the progress made in this direction, the possible association of other countries, including the Communist People's Republic of China, in any disarmament program would no doubt be one of the questions which would be considered in due course.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Wishart McL. Robertson: Honourable senators, one of the great disadvantages of following the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) and the honourable Leader of the Opposition (Hon. Mr. Macdonald) in welcoming the new senators, and in referring to the remarks of the mover and seconder for an address in reply to the Speech from the Throne, is that the speeches of both leaders were so completely informative and expressed in such felicitous terms that they leave nothing for the rest of us to say.

Nevertheless, I want to join with them in welcoming, first, the Honourable Olive L. Irvine, whose charm and experience in public affairs will add to the charm and experience of the other lady members of this house, who have greatly enlightened us and contributed much to our deliberations.

I should like also to extend a hearty welcome to the mover for an Address in reply, the Honourable Senator Courtemanche, who comes to us as an experienced parliamentarian. We enjoyed his eloquence and pleasing delivery, and as well his excellent and informative material.

I am sure, honourable senators, it would not be amiss if I added a special word of welcome to the Honourable Senator Blois, from my native province of Nova Scotia. Indeed, we are not only from the same province, but at present from the same town of Truro, although I must admit he has lived there much longer than I. I have known our new colleague for a long time, and I support what the Leader of the Government said about Senator Blois' long experience in public life and the contribution we may expect from him to this house.

I am sure these new senators are proud to become members of this house, because experience shows that Prime Ministers over a long time have held a very high regard for the Senate, for the ability, experience and keen perception of its members. That is indicated by the fact that the Government gives us a minimum of information with regard to legislation, knowing that our ability is such that we will get the necessary information anyway. The present relationship between the Senate and the Government is not peculiar to this Government; it has existed for years. It existed when I was a member of the Government, so I know whereof I speak. There are, including Parliamentary secretaries, 40 members of the Government to explain legislation to the House of Commons, whereas in the Senate we explain it to one another. We do a very, very good job of it. There was a time, a few years ago, when we thought we would like to see more of the ministers. That was during the period when I was Leader of the Government. We put into effect a procedure whereby any minister could come over here and introduce his legislation. Four ministers took advantage of the procedure and they did very well here. The procedure remained effective until one honourable senator, who is not with us any longer, made a most spirited attack upon the system. He said that so far as he was concerned he liked the explanation given by honourable senators in this house very much better than that of anybody who might be imported, and he thought it was high time that the new practice was stopped. I took the cue, and I do not think I ever invited a minister to come here afterwards. I do not think the honourable senator who now leads the Government (Hon. Mr. Aseltine) has done so either. I think it is just as well, because he has the same advantage as I had when I was Leader of the Government, in having around him a great wealth of talent, possessed by honourable members who can explain the legislation as well as anyone else.

Nevertheless, some honourable senators would like to have an opportunity sometimes of questioning ministers in committee, particularly on questions of policy. I afforded that facility to a limited extent, and my honourable friend the Leader of the Government has done it as well. Perhaps that practice will continue.

I want to compliment the Leader of the Government and the Leader of the Opposition for their speeches, which are always of

a high quality. I thank the honourable Leader of the Opposition for some personal references that he made.

I am not going to refer to any matter mentioned in the Speech from the Throne, and in this I am not being disrespectful. It happens that there are many honourable members who wish to participate in the debate, and I do not want to cover too much ground. In speaking to a matter which is not dealt with in the Speech from the Throne I have an excellent precedent, one set by the Prime Minister himself. Of course, I am not qualified to do what he did. I cannot produce a second Speech from the Throne. The Prime Minister did that, and it was said by some of his friends that it was one of the most skilful things ever been done in Parliament.

The usual procedure, as we all know, is that after an address in reply to the Speech from the Throne is moved and seconded the Leader of the Opposition makes his contribution. But, the Prime Minister outwitted the Leader of the Opposition by waiting until the leader had finished speaking and then producing a second Speech from the Throne, on which the leader had no opportunity of commenting, so the Prime Minister encountered no criticism on the second Speech from the Throne and he had all the advantage of newspaper publicity. Some say it was one of the smartest parliamentary tactics used since Confederation. Whether it was or not is another matter, but I do think it established a precedent in these circumstances for one to speak on something that has nothing to do with the contents of the Speech from the Throne.

Honourable senators, in this debate I am going to content myself with endeavouring to deal with one solitary thought. Even at that I may be taking on a lot. I wish to confine myself to the single question of how we are going to reduce the costs of production in Canada in order to meet world competition. I may make some ancillary references that have a bearing on this question, but this will be the subject with which I shall deal.

I do not suppose there was ever a time when I was more confused than I am today as a result of statements made by those in authority as to Canada's economic future. There have been many conflicting opinions regarding this subject and much prophesying has been done by competent persons. For instance, late in September of last year the Managing Director of the International Monetary Bank in Washington, of which we are a member, made a certain remark in a most important speech that has been widely quoted. In effect, this is what he said: Generally speaking, world inflation is over. Goods are in plentiful supply from various sources. Competition is becoming fiercer and fiercer, and those who deviate from international price trends assume grave risks.

Well, Canada is one of the deviators. One of the listeners to that speech was, of course, our Minister of Finance, Mr. Fleming, and not long after he returned from Washington, about the middle of October, in his official capacity he made an important speech which the honourable Leader of the Government (Hon. Mr. Aseltine) referred to in passing as one of three excellent speeches by the minister. Incidentally, I did not care for some of the remarks made by the minister and I thought he could have dispensed with them, but that is neither here nor there. In this particular speech the Minister of Finance said that inflation is the enemy of growth and that creeping inflation is the most dangerous, because it is so insidious. He said that we could not stop it without paying a price, and if we did not pay the price and maintain the value of our currency while others were maintaining theirs the consequences as regards our trading position might be catastrophic.

Honourable senators, those are strong words, but they are not mine. The circumstances surrounding that speech resulted in a most curious reaction on the part of the Prime Minister. I presume the Minister of Finance had consulted the Prime Minister as to what he was going to say in his speech, but a few days beforehand the Prime Minister cut the ground from under the minister's feet by telling a TV audience that there was no inflation, because although he inherited some of it from his predecessors he cured it as soon as he got into power.

The statement by Mr. Fleming was a pretty drastic one for the Minister of Finance to make, and a curious thing about it is that, although I watched carefully in the press afterwards, I found not one single instance of support for him from his colleagues in the Commons. Nor did I see any record of support for him from members of this house, although they probably know more about the subject than do the members of Commons. If any honourable member here did support the minister I hope that will be made clear later in this debate. For my part, I supported him publicly—with curious reactions. The only letter I received from any Conservative, whom I recognized as such, was from the minister himself, thanking me for my support. I received some letters from persons whom I recognized as Liberals. A letter from one of my colleagues in the Senate simply "took the hide off me". Another honourable senator

accosted me and took me to task. I am told that many of my Liberal friends were much annoyed with me.

Frankly, I do not blame them. Here was the minister appealing for support against inflation; and, after all, a Liberal would need a lot of Christian charity to forget the treatment by Mr. Fleming and his supporters of Walter Harris when he called for similar support two and a half years ago. I do not think I have any particular amount of Christian charity; but last session when the honourable senator from Saint John-Albert (Hon. Mr. Emerson) brought in the Finance Committee's report on inflation I stated here that I would support the Government if it attempted to deal with inflation, and I kept my word. I cannot understand why the Prime Minister himself would cut the ground from underneath Mr. Fleming, and why not one of the members of his Government or not one Conservative member of this house supported Mr. Fleming publicly. Therefore, I have reason to believe that there is not much support for his viewpoint. That is another thing that confused me.

Then the Governor of the Bank of Canada got into it and told us that we have all been living beyond our incomes for the past five years, and that we have been borrowing money, largely from the United States, to make up the difference between the growing amount we have to pay that country for servicing our obligations and the constantly growing deficit between our imports and exports. He said that if we don't increase our exports and reduce or limit our imports we shall be heading for a balance of payments crisis. Those who drafted the Speech from the Throne evidently thought silence was golden and did not mention the problem at all. In the other house the Minister of Trade and Commerce delivered a very eloquent and clear-cut speech stating that we need not be worried about it, that our prospects were magnificent. It was much along the line of the remarks of the honourable the Leader of the Government here (Hon. Mr. Aseltine) last evening. I did not hear the minister's speech, but he could not have done a better job in advancing that idea than did the honourable Leader of the Government.

However, running through these conflicting opinions there is just one common thread, that we can only have prosperity if we keep our costs down. The Leader of the Government, with all his long experience and hardheadedness, qualified all he said last evening by stating that prosperity could be achieved in that way only.

Honourable senators, it is on the question of how to reduce production costs, and the problems involved, that I want to offer some suggestions. Before I do so, however, I wish to point out that Dr. Firestone, economic adviser to the Minister of Trade and Commerce, took the platform on this subject of future prospects, and although he agreed that the chances were good for the late sixties and seventies, he hedged as regards the early sixties; he said he thought 1960, and probably 1961 would be all right. But he warned us to watch out then, saying we shall likely be faced with a recession that will far exceed anything we have known since the post-war period.

Hon. Mr. Euler: It will "make our hair curl".

Hon. Mr. Robertson: It will "make our hair curl", as my friend says. It would be a very difficult matter to handle. This practice of saying "Things are not so good now, but they may be all right in the seventies" is not satisfactory. It reminds me of an experience that I had in 1948 when representing the United Nations in Paris, and later in England. I was much interested in noting the great difference between rationing in the two countries. Both countries had coupons, but France was very generous with them, or at least it was to us, for we were classed as tourists and got virtually everything we wanted to eat, although citizens did not. When I went to England, however, I noticed that rationing was enforced drastically, with no favourites. We got what the other fellow got, no more and no less. I was very much impressed. I talked about this to people in Glasgow, and particularly in a restaurant where I did not know the waiter was a strong supporter of the Labour Government, and to whom I suggested that the fairness of the method was greatly to the advantage of Britain. However, he got it into his head that I was a dissatisfied visitor from North America complaining about the food in Britain. He said to me—politely, as one would expect him to say to a guest, but nevertheless firmly—"Oh, well, I know it is pretty bad, but it is better than it was a year ago, and Cripps says it is going to be all right in 1952." That is like Dr. Firestone, who is not quite so sure of the immediate future, but says things are going to be all right in the seventies.

On the need to reduce costs of production, various suggestions are being made. The main one comes from the Government, in the form of exhortations to labour and management to do something about it, to get costs down or the inevitable consequences will follow.

Well, as far as I can gather, management's retort to that is, "It is not our fault; it is the fault of labour for asking too much, and of the Government for taking too much away

from us in taxation." But labour says; "It is not our fault; labour costs have got very little to do with this problem; it is caused by the high profits which manufacturers are making, taxes which the Government is taking off our pay cheques, thus reducing our take-home pay, and high costs of distribution."

Honourable senators, my judgment for what it is worth, is that we shall not get very far with exhortations.

Some people are saying we ought to adopt strict controls like we had during the war, to keep down wages, prices and interest rates, to control everything so as to enable us to meet the competition that we must face from abroad. Not many people have advanced that proposal, although from predictions about the new party that is about to come into existence I gather that it might very well be its viewpoint. I don't think very many people in this country will go for it, particularly as long as conditions stay as good as my honourable friend the Leader of the Government predicts they will. But if circumstances changed, if as a result of severe competition from outside there was rising unemployment in this country and we lost severely in our export markets, then in desperation we might turn to controls, because we would then have a very ugly public in this country, and if anybody else had a better solution we might be in for trouble.

This is where I am going to venture to make a suggestion. My belief is that there is only one possible way of solving the problem, and that is by following the example of the small Western European countries and letting competition do the job. You know, we are great fellows for competition in this country. We talk an awful lot about competition, we make after-dinner speeches about the virtue of competition, saying that is the system we were brought up under and the system we are going to die under, but often it does not have much opportunity to function. I am suggesting that some people in the Old Country today know far more about economics than we ever thought of, and we should realize that fact and learn something from what they are doing. Our fiscal and trade policies which are based on the hope that we can continue as the highest-cost producer among the industrial nations of the world are as obsolete as the horse and buggy. Our domestic industries would be faced with great difficulties even if our population was twice as large as it is today.

We are members of GATT, so little or no relief can be given by way of additional tariff protection even if it were thought desirable. We should recognize the worldwide revolution that is taking place in economic thinking and practice, and that we are becoming encircled by five economic giants, three long established and two coming into being, whose production costs through mass production technique will be so low as compared with ours that our industries will be swamped by their competition.

In order to assure that our costs will be gradually reduced, in order that we can meet world competition in both our domestic and export markets, we should immediately seek to join a larger trading area. We should at once, I believe, enter into negotiations with, first, the United States of America; and secondly, the Outer Seven and Third, the European Common Market, to remove progressively all the barriers to trade over a period of years, perhaps ten.

We should leave ourselves free to make similar arrangements with other countries, both commonwealth and non-commonwealth, as and when it may become mutually desirable to do so. The Government should seek the co-operation of labour and management and all others concerned and be prepared to follow the example of the European countries of extending financial assistance to those industries which need it, in order that they can equip themselves to compete successfully in the export markets and meet competition in our own domestic market.

I suggest, honourable senators, that in the world we are living in there is no possible chance of our continuing successfully with 17.5 million people in this country. Sooner or later we shall have to do these things. We have the choice of dealing from strength or from weakness. While we are strong and our prestige is high, let us seek to associate ourselves with those countries with which over the years our trade has been the greatest, and thereby avoid keeping all our eggs in one basket. Let us do it from strength and do it now, and do it concurrently, lest, mind you, our industries become so swamped by competition that cannot possibly be kept out by tariffs, and our economy becomes so weakened in servicing this vast accumulation of debt which we have incurred in recent years, that we may have to go on hands and knees to our biggest creditor and sue for terms.

I say, let us do it before it is too late. I have no personal objection to the idea of an economic union with the United States, but I am aware that quite a lot of people in this country have.

If we become associated with a group of Western European nations and the United States we can maintain our competitive advantage. By progressively removing our tariff barriers and lowering our costs we can compete and not have to appeal to countries to limit the quotas of goods they ship to Canada,

which is being done today and which is our only alternative at the present time. Do not let us tarry. Let us act at once.

I suppose that initially my interest in the Common Market was particularly keen because over the years I had so much to do with attempts to have article 2 of the North Atlantic Treaty implemented. Honourable senators, particularly the more senior, will recall that it was my honour some ten or twelve years ago to introduce the North Atlantic Treaty in this house. I remember well the discussions we had at that time, as to what was then a very radical step for us in this country to take. Indeed, I was brought up in a school that did not even admit we were at war when Britain was at war. My honourable friends opposite had pretty well come to that conclusion. Yet, we came to the point where we solemnly bound ourselves for 20 years that if one country was attacked the other would join in its defence. It was a revolutionary step for North America, and particularly Canada, to take. However, there was a saving grace: some of us were already aware that there was provision for a degree of economic co-operation and the elimination of trade rivalry, such as we had never witnessed before. That provision was written into the treaty and was ratified by all Parliaments, but it never was implemented.

However, some five years later some of us formed an association. And let me say it was not a party affair; it transcended parties in this house. As the then Speaker of the house, I was elected chairman of the association, with the present Prime Minister as vice-president of the steering committee. Mr. Gordon Churchill, as he then was, represented the Conservative party. There were many who showed little interest, but in the intervening years we were able to interest people of other nations in it.

To make a long story short, in due course we met in Paris in 1945, with one single idea and purpose. Some of us may have been interested in seeking military co-operation. For my part I did not know much about it. We were interested in the economic side of the picture, because we believed that the burden of armaments would sooner or later cause us trouble unless we had the financial strength to support them.

We went on year after year, with committee after committee being set up. I never knew there could be so much frustration as we experienced in our attempts at that time. Then just the other day the Minister of Finance and the Minister of Trade and Commerce, on their return from Paris, reported to the other house that a new committee was to be set up which, in effect, superseded the preceding committee. There was no ceremony; there wasn't even any reference on the part of anybody in that house to the fact that this spelled an end to a great ideal, as far as its implementation by NATO was concerned. No one said that there were many honourable members who belonged to the earlier committee who deserved a great deal of credit. Let me remind you that the 25 members who went to Paris paid their own expenses, an almost unheard of procedure in these modern days. The idea was that we would go to Europe by plane to examine the military installations in France and Germany, but we would stay in Paris a week. And this, as I say, was done at our own expense; the Government could not make an appropriation to cover expenses. And after all that, the whole thing was over without any ceremony or regret.

I have placed on the Order Paper a question whether the recent report does not mean that the long-cherished ideal of implementing article 2, providing for co-operation through NATO, has now disappeared. Mind you, in doing so I am not being critical of the Government for its participation in this action, because I know it was inevitable. When the day came that Britain became associated with Switzerland, Sweden and Austria, I knew that these countries never could or never would be members of NATO. I knew then that our economic co-operation through NATO was too circumscribed. Nevertheless, considering all the work that was done on it over the years, I cannot avoid having a little regret that no one in the House of Commons saw fit even to mention the facts or the background of the situation. However, as I say, the situation is an inevitable one. Britain may have felt that the treaty was too exclusive as far as the rest of the commonwealth was concerned; and the United States may have felt the same way because it left out Latin America.

No one will take much note of what I have to say, but I would like the Government to come forward and present the case in its proper light and to say that what has been done is the sensible thing to do. But what do we do now? We need to become associated with something that is going on in some concrete way, rather than passing resolutions. When Mr. Brentano, the Foreign Minister of Germany, was in Canada I said to him that I felt that the Common Market was implementing the purposes of article 2, that the countries concerned got tired of waiting for something to be done by Britain and North America. I believe that is the reason for their action. And take note of how they have succeeded. Their economic co-operation which strengthened their general base has led to the elimination of international trade rivalry. That was the purpose of article 2.

Look also at the miracle that has happened to the relations between Germany and France. I can well remember the time when the Saar Valley and other places were household names. Today the memory of them has all but disappeared. Mr. Neal, President of the Committee on Economic Development in the United States, mentioned to me that he felt the new trend would have great repercussions. Indeed, he went so far as to say that the Common Market in Europe would have more political and economic repercussion than the explosion of the first atomic bomb. After the setting up of the Common Market, the seven nations which, for one reason or another, could not join in it linked themselves together in the Outer Seven under the leadership of Britain. Britain offered us a similar arrangement, but there seemed no overwhelming enthusiasm for it, as far as I know. The Outer Seven has been formed, and they are now following the established practice of gradually getting their costs down. Over a period of time they will reduce their tariffs and adjust their industry to participate in future production. They are bringing into being the fifth economic challenge: a Common Market consisting of Russia, the United States and Japan, each of which has a population of 100 million or more. The Common Market countries have 175 million people, and the Outer Seven have 90 to 100 million. We are the sole industrial nation to stand alone, and we have not a ghost of a chance of meeting competition through mass production. We are not even keeping the markets of our own 17 million people. At the first of the year I noticed an editorial in the Montreal *Gazette* stating what proportion of our market in Canada we have lost. We are becoming hopelessly outdistanced. Most of our domestic industries have less than 50 per cent of our own market. With a limited market such as we have we cannot possibly meet outside competition against these economic giants.

I suggest to this house that there is only one alternative, and that is that we proceed to join them. I do not know how much headway we will make. I do not know what difficulties we will encounter. Because I want to see this done concurrently, we should do it first with the United States of America. Mr. Howe told me once that immediately after the Common Market was first suggested the then Secretary of the Chamber of Commerce called him and asked him what he thought about a Common Market on this side of the Atlantic between Canada and the United States. Mr. Howe said: "Well, I think, perhaps, economically it might be sound. I do not know where this development is going to carry to in Europe, but there is a political side to it." There always has been. Just what angle that will take remains to be seen, but if we accompany economic co-operation with the United States with a similar arrangement with the Outer Seven and the Common Market we would not only be doing a great job for Canada in getting our costs down and making prices truly competitive, but we would render great assistance to the millions of people in this country with fixed incomes who are being crucified by higher costs. Also, Canada would be the linch-pin which must inevitably join the nations of the Atlantic community. There must be something of that kind between us in the face of Soviet pressure.

Honourable senators, I am as much convinced today as I ever was that Russia has no intention of launching a nuclear war against the United States. She has no intention whatever of doing that. Why would she, even if she thought she would win? She could win only a mass of smoking ruins. I can never understand why China was not brought into the discussion of disarmament. Do you think Russia would undertake a nuclear war with the West, having due regard to all the risk that would be involved, and leave China intact to come in through her back door with her millions of people? No; I think Russia is just as convinced today as she ever was that her system is better than ours, and her chance of winning economically is infinitely better than her chance of winning militarily.

I am not so sure that she is not right. If we do not get a little common sense into our heads I think she will continue with this process of dividing the Western world, a process which goaded us into activity to form NATO. We would never have dreamed of NATO if Czechoslovakia had not fallen. Russia, with her great financial strength and natural resources will throw everything into the economic offensive against the Western world, and divide it if she can. She might be successful. The country which stands to lose most in that shuffle is Canada, because Russia has three times as much of everything that we have. The late Senator Charles Hawkins told me that Russia's forests are twelve times the size of ours. She can outdo us in everything we have.

Mr. Maulding, president of the British Board of Trade, said his offer was still open to Canada, but it was not clear whether the offer was by Great Britain or by the Outer Seven. For myself, I would go all out for the Outer Seven. It may be that the Common Market countries would present more difficulties; I am not sure. When I was in Washington, in November, I attended the conference of NATO Parliamentarians. I was not a member of the Canadian delegation; I was there in my capacity as Honorary Life

President. I heard Professor Walter Hallstein, President of the Common Market Commission, speaking on the subject of relations with other countries. He was under attack because those from the Outer Seven were accusing him of creating a condition that would result in a trade war between the two groups. He said he did not believe that, and he did not like that at all. He said what we have to be very careful about is that in the process of creating a bridge between the two groups in Europe we do not create an even greater gulf between the two sides of the Atlantic. He said: "As far as I am concerned, the fact remains that if it were not for the generosity and kindness of America and Canada we would have continued as an object of charity, and now we are a partner, and we will never forget it. What we must do must be in co-operation with them." I do not know what the objections would be, but I am sure that Canada has a sufficient backlog of goodwill to enable it to make the necessary arrangements.

There may be something going on about which I know nothing, but I submit that that is what we should do, and in due course it is what the United States will do. Professor Hallstein said that Mr. Dillon, United States Under-Secretary of State, was already negotiating with the Common Market to the greatest degree possible under the powers given by the Reciprocal Trade Act of the United States, but that is a very limited degree. So far as I know, we are arranging no negotiations.

Honourable senators, this is our opportunity. I feel we should give very serious consideration to what is a better alternative than to stand by and watch our domestic industries being swamped by outside competition which we can do nothing to stop, while in due course our export industries dwindle and die. The other is the alternative I would choose, and I bespeak the careful consideration of it by this house.

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

NEWFOUNDLAND FISHERIES LAWS REPEAL BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Higgins for the second reading of Bill S-3, to repeal certain fisheries laws of Newfoundland.

Hon. Calvert C. Pratt: Honourable senators, before discussing the subject of the bill now before the house, may I be permitted to offer a personal word of congratulation to the honourable senator from Shelburne (Hon. Mr. Robertson) upon the very forceful and enlightening address he has just made. I believe the substance of his speech provides a strong basis of leadership for the members of Parliament, and from it I trust will come a movement for greater and more realistic international trading relations which are fundamental to the progress of this country.

In introducing the Newfoundland Fisheries Laws Repeal Bill the honourable senator from St. John's East (Hon. Mr. Higgins) outlined the legal and constitutional position very clearly. It is not necessary for me to dwell at length on that aspect of the bill which, as has been pointed out, is needed to give legislative effect to the many changes and annulments that have already taken place.

As the honourable senator has said, before Union the Newfoundland fisheries laws, applicable to both domestic procedure and exports, were administered by a department of Government known as the Newfoundland Fisheries Board. The application of their authority was very broad and covered, among many other responsibilities, supervision of the assorting of quality, or "culling" as we term it locally, as between the fisherman and the local buyer, and licensing of exporters, with registration of their plants and inspection of fish when being packed for export. Of these responsibilities the federal Government now retains only the issuing of certificates of registration of salt fish plants and the inspection of the fish when being exported. I am sorry that it was not found feasible by the federal Government to retain authority for supervising quality at the time the fish is passing from the fishermen to local buyers. As a matter of fact, that is the stage of inspection which has most effect on the quality being produced by the individual fisherman. The quality will never be any better than the care that is taken in the first handling, which includes the washing and salting prior to the final processing for market.

During the past fishing season this particular responsibility of the federal fisheries inspectors ceased—it had until then remained the responsibility of the federal Government under an arrangement—and was assumed by the provincial Government, which has not set up any inspection system to take its place. No doubt it intends to do so, but it was not done for the traffic of the past season.

I really think the special circumstances of this industry should have influenced the federal departments to continue this responsibility. As it stands now, the federal inspectors—and there are many—have to be

spread around the coast to supervise for marketing. I am sure that an interlocking of the two responsibilities could be made to work quite satisfactorily. The federal and provincial officials should get together to work out some joint policy in this respect.

As the bill before us is simply a confirmation of repeals that have already been made of a number of acts since Union, there is nothing to be said against passing the bill.

What I am particularly concerned with now is to see that the laws for export inspection will have a reasonable local application. In the regulations of the Fisheries Inspection Act of July 1, 1959, Schedule "D", which was referred to by the honourable senator from St. John's East, sets forth in considerable detail the conditions of packaging and inspection for export of pickled and salted fish, which in the main conform to the established practices of the Newfoundland trade. To illustrate the need for such special provision, in the salted codfish section of Schedule "D" there are about three dozen different grades and sizes which have to be kept separate to satisfy the demands in various markets of the world. This variety of grades is unusual in commodities for export, but it is something that has developed in the fish trade over the centuries and very careful handling is required in order to meet the needs of customers abroad. As a matter of fact, some of the packages also have to be distinctive for different markets, because in many cases they are used in other trades abroad after the fish is taken out, and preference in buying may be influenced by the type of packages used. I mention this because of the very great need for the authorities to keep local customs of inspection and so forth in effect, although they may differ from those that prevail in other provinces. There should be close consultation with those actually engaged in the marketing before changes are made in inspection rules and procedure. As an example of the peculiar circumstances involved, in North Brazil, where Newfoundland salted codfish was introduced three centuries ago—and it has been going there ever since—they prefer fish with less salt content and different in appearance and size from what is desired in South Brazil, where the fish was introduced a century later.

The Newfoundland salted fish trade extends to South America, Central America and the whole of the Caribbean area, as well as to several European countries. Contrary to what one very often hears, I can say that some years ago Newfoundland set up a very far-seeing marketing policy for this industry. It might be useful to give a little background here as illustrative of the need for having the industry's requirements come under special consideration and not just be swept in under trade rules and regulations which are set up for other provinces and other commodities. When the depression of the thirties hit the industry so hard, as it hit industry throughout the world, Newfoundland exporters organized marketing groups which combined shipments to certain areas and distributed the returns to shippers as they were received from the various markets of the world. These were entirely voluntary organizations. The prices available were publicized, and I know from experience there was no background of secrecy whatever.

When the war came, the Combined Food Board of Allied Countries allocated shipments at controlled prices to all leading markets. To meet this condition Newfoundland exporters set up a Marketing Administration Committee. I had the privilege of being one of the organizers of that body. It operated under the supervision of the Fisheries Board, a department of Government, and the chairman of the board attended directors' meetings. Fishermen's representatives were informed of the net results from the markets. At the request of these representatives, buying from the fishermen was done competitively, not at agreed prices. Immediately following the war and the abolition of the Combined Food Board, all controls outside of Newfoundland were abolished. The exporters then had to make one of three choices: Would they each sell to the foreign markets competitively? Would they work together in groups, with each group selling to the different markets, as quite a number of them had done previously? Or would they set up one marketing organization which would act on behalf of all concerned?

An approach was made by the exporters to the Commission of Government, and it was recognized by the Commission that in the interests of orderly marketing there should be one organization with exclusive exporting rights. While the actual selling and shipping were admittedly the responsibility of the marketing organization, it was an agreed condition that a Government respresentative, the chairman of the Newfoundland Fisheries Board, would sit in at all meetings of directors and be fully kept aware of prevailing export prices. It was also agreed at that time that a basic price should be paid by the buyers to the fishermen and that any receipts over the level of that basic price would be split between the fishermen and exporters. Of course the exporters actually bought the fish and paid for it, as it takes a whole year to market the production of a few months' fishing.

That arrangement proceeded very well, and the industry made good progress. The stage was reached, however, when the representatives of the fishermen's organizations considered they would do better for the producers by changing to a policy of competitive buying among the exporters than by the agreed split of the market proceeds. This change was then made. The Government of the day followed along with the policy of having exclusive marketing rights centred in one organization of exporters, with a stipulation that all local buying would be strictly competitive. A primary consideration in adopting the policy of centralized export marketing was that, in order to meet the organizational and Government controlled buying in many of the markets abroad, a pooling of specific qualities and sizes within Newfoundland was essential in order to make the foreign contracts. As a matter of fact, a great deal of controlled and centralized buying still prevails in some of our principal markets. About four years ago the federal Government nullified the full effect of centralized control by authorizing the uncontrolled sale of the product to other provinces from where it could be exported competitively with Newfoundland. Quite recently foreign marketing has been thrown wide open for any individual exporter in Newfoundland. Centralized marketing with legal and official status has been completely abandoned. As things stand now, however, the full strain of competitive foreign selling has not been thrown on the industry. Newfoundland firms which were in the central marketing body have remained together in one exporting organization. This has helped to maintain a better level of values than otherwise would have been possible.

Honourable senators, I am having this background of information concerning the Newfoundland salt fish industry brought to your attention and recorded here because we know from experience that it is very necessary to keep the officials of Government departments constantly aware of the special conditions applicable to this Newfoundland trade. When the change to which I referred was made in the federal regulations about four years ago, I am sure that the main consideration was to have the rules and regulations fall in line with a general provincial pattern. Unquestionably there was not a recognition of the special and distinct circumstances of the Newfoundland industry.

The only federal controls now remaining are those in the grading and packaging for export, which in themselves are very essential.

I wish to make this appeal on behalf of the industry and the fish producers in Newfoundland, that the Government of Canada through the Department of Fisheries and the Department of Trade and Commerce should not restrict or eliminate the necessary rules and regulations simply because they do not fit in with the general pattern of procedure in their provinces. Our fishermen need encouragement in more modern production methods, they need supervision in salting and curing, and they certainly need more incentive than they now have to produce the distinctive qualities and sizes that so many of the overseas markets demand.

World consumption of salted fish of our type has been increasing; the production now runs around 500,000 tons a year, of which only about ten per cent is produced in Canada. Most of the production is by the European countries, as well as Russia and Iceland, and a great deal of the product is taken by the boats of those countries from the Grand Banks of Newfoundland.

I would certainly like to see a more active and constructive policy in force for a progressive revival of the salted fish industry, with which this bill is chiefly concerned. Our whole fishing industry needs far more attention than it is getting. The one bright spot at present is the increasing production of frozen cod fillets, which are finding a market in the United States, and that is the only market available for them. The other chief branch of the industry, the salted codfish industry, is of world-wide interest.

The provincial Government is pursuing an active policy in encouraging more modern vessel construction, as well as providing other forms of promotion. The federal research station in the province is working now on new processing methods which I hope will be helpful. Community fishing stages and holding rooms are being built, also with Government assistance, federal and provincial. We need these present efforts and a lot more to pull this industry out of the doldrums into which it has drifted.

As I have mentioned before in this chamber, one of the great factors retarding our progress has been the high subsidization of this particular industry by competing countries. While I do not think it is necessary for us to adopt the same pattern of subsidies that such countries as France, Norway, and Iceland have put into effect, I think we should be able to meet it with encouragement in other forms which could be just as effective in promoting the business and maintaining stability in it as subsidies are in these other countries. In October last the Fisheries Council of Canada presented a case to the federal Government for more specialized assistance than is now given. The council considered that greater encouragement for investment capital in the industry

was of first importance. Among the recommendations were incentives to increase and maintain efficiency of the fishing fleets, and more adequate depreciation on fishing vessels built in foreign yards as well as in Canadian yards was advocated. The council also stated that construction subsidies should be more in line with today's costs than they are, and that subsidies should extend to larger boats than at present. It was also recommended that some portion of the earnings before taxation should be applied to abnormal expenses in refitting boats.

I might say that the Fisheries Council of Canada made a close and competent study of conditions in the industry and I hope its recommendations are being taken very seriously by the Government.

I feel, honourable senators, that if over the next five years reasonable incentives can be given to encourage investment of capital, and certainly to stabilize more adequate earnings for the fishermen, the industry can have a really good come-back. However, the alarming fact is that if sufficient incentives are not provided within a very few years, we won't have fishermen available for the industry. Ocean fishermen are bred to their occupation; they do not crowd in and out just on the blow of a whistle.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 37 to 66, which were presented yesterday.

Hon. Mr. Roebuck, Chairman of the committee, moved adoption of the reports.

Hon. Jean-François Pouliot: Honourable senators, is the mover of the motion going to speak on it?

Hon. Mr. Roebuck: No.

Hon. Mr. Pouliot: Well, honourable senators, I wish to bring a few facts to your attention.

The Divorce Committee sat today, will sit tomorrow and again on Friday. During the past two weeks the committee has been sitting every day of the week, which means that its members are giving most of their time to the study of divorce petitions. At present the only ground for divorce is adultery, and I think it is easy to foresee what would happen if there were more grounds for divorce. There are sympathetic cases that are not eligible for relief under the existing rules of the committee.

If the rules were amended to provide other grounds for divorce, the membership of the committee, which is already large, would have to be considerably increased, and probably most members of the Senate would not have time to deal with much legislation other than divorce bills.

But there is more to the matter. It is that one is not sure that the divorce courts in eight provinces of Canada are *intra vires* of the provinces. If they are not it means that all thousands of applicants for divorce will come to the Senate of Canada. In my humble view, the only valid divorces are those which are sanctioned by an Act of Parliament.

It is a tremendous question, and we come to the point that the only possible way to deal with the matter is to transfer jurisdiction over family rights, over marriage, which at present is in the Parliament of Canada, to the provincial Legislatures. If that were done, my honourable colleagues, who are very able, all of them, and who could perform much more useful tasks than dealing with divorce cases, would be free to do more important work. It is in order to give to them the same relief that the Divorce Committee gives to victimized consorts that I would like to see them relieved of the painstaking and unpleasant obligation to sit on that committee. It is to be hoped that at the earliest opportunity the Government will consider favourably presentation of a request to the imperial Government for a transfer of the jurisdiction of the Parliament of Canada to the provinces.

Honourable senators will note that I have mentioned the jurisdiction over marriage. The right to grant divorce is included in the jurisdiction over marriage. What would be more important would be some legislation depriving divorced persons of the right to remarry. If such legislation were passed the number of divorces would be greatly reduced in all provinces of Canada.

Hon. Arthur W. Roebuck: Honourable senators, let me first express my appreciation of and thanks for the sympathetic attitude of the honourable senator from De la Durantaye (Hon. Mr. Pouliot) toward the members of the Divorce Committee. It is true that the committee is now sitting every day, and will continue to do so for a period of three weeks. At the conclusion of that period we shall sit in the regular way, on Mondays and Fridays, when most other senators are at home, and on the intervening days we shall hear contested cases, of which there are now some 25 or 30 on record. So, what the honourable senator has said about the divorce work being a burden is quite true.

While I have no sympathy for myself, because I look upon our work on the committee merely as a piece of public service that we are sent here to do and are paid for doing, I certainly am concerned about other senators who sit on this committee and who by doing so are at times precluded from attending other functions of perhaps a more important and more interesting nature. Be that as it may, as long as the rules and conditions of divorce are as they are today, it is our duty as a chamber to take care of this work. I think I can say on behalf of everyone here, including the members of the Divorce Committee, that so long as that obligation rests on our shoulders we senators are prepared to discharge it. So we can forget about any sympathy in the matter.

However, that is perhaps not all the honourable senator from De la Durantaye said. It may be that the Senate would be a more effective house if the members of the Divorce Committee devoted themselves to other matters. But that matter is not within our control. The honourable senator has, for the second time this session, suggested an important alteration in the divorce laws of this country, and his observations have received some publicity. It is for that reason that I submit we should view this matter in the light of history.

In the years preceding 1867 when Confederation was being considered by the statesmen of that time, the question of divorce was a matter of discussion and debate. At the conferences held there was a majority—I feel sure a very large majority—from the province from which the honourable senator hails, who were opposed to divorce in any form, and who were desirous of having no legislation on that subject. Others, however, felt that it was the right of the minority to exercise the right of divorce if they considered it meet and proper to do so. So to protect that minority in the province of Quebec the statesmen of the time came to a compromise agreement. That compromise was that the Parliament of Canada should have the right and power to pass private bills to deal with the matter of divorce, if it thought this proper, and that arrangement was consented to by the majority in the province of Quebec. That was the agreement, tacit though it may have been, that was arrived at at that time.

My honourable friend says the only way to relieve Parliament of that obligation is to do something which the statesmen of that earlier time were opposed to doing, namely, to allow the question of marriage and divorce to be governed by the local legislatures where, it was then felt, the majority might not recognize the rights, privileges and interests of the minority. The situation in that respect has not changed. If the province from which my friend hails wishes to remove from the Senate the duty of trying divorce petitions, the way is open to it, and it is an easy one. It is one which would cause no hardship to that minority which still disagrees with the majority in the province with regard to divorce. The simple answer is consent on the part of the province to the establishment of a divorce court in that province.

I am sure the Senate would agree to that change and would pass it unanimously; certainly those senators from provinces other than Quebec would agree to such a proposal. In that way Quebec would have a divorce court such as is established in Ontario and in the other common law provinces of Canada, and the whole problem would be settled.

But to ask us as senators of Canada to disregard the rights of the minority in the province of Quebec, and to change what was decided at the time of Confederation, is surely asking us to go too far. It is impossible for us to give up that jurisdiction which in those earlier days it was thought we should exercise, namely, the jurisdiction over marriage and divorce, and allow it to be handled by the provinces. If such were done it would permit the greatest possible variety of legislation on this individual and fundamental right. It is most important that human rights in this respect should bear some degree of uniformity throughout the provinces.

I would not for one moment join in the suggestion made by my honourable friend from De la Durantaye. Although it would be a relief to be no longer burdened with these cases, I would not be a party to leaving the minority of the various provinces subject to the prejudices, various views, religious principles, and so forth of the people in those provinces. It is necessary that we retain this jurisdiction.

Hon. Mr. Pouliot: Honourable senators, I appreciate what the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has said. I would like to ask him just one question: What would happen to the Standing Committee on Divorce of the Senate if all the divorces granted by provincial courts in eight provinces of Canada were declared invalid, legally and constitutionally?

Hon. Mr. Roebuck: Honourable senators, I submit that that is an academic question. I am quite unable to answer it. It is something that is very unlikely to happen, and I am sure that if something of that nature did occur we in the Senate would join with honourable members of the House of Commons in dealing with the situation with the greatest possible rapidity.

Hon. Lionel Choquette: May I ask one question of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck)? What would prevent Parliament from appointing two or three judges in a federal court, such as the Exchequer Court, from hearing divorce cases exclusively? Was that ever discussed, or has that ever been thought of?

Hon. Mr. Roebuck: Yes, it was thought of.

Hon. Mr. Aseltine: I brought in a bill along that line.

Hon. Mr. Roebuck: The Honourable senator who now leads the Government in this house (Hon. Mr. Aseltine) once introduced a bill with two clauses: one was to introduce rules of divorce similar to those in force in the United Kingdom, and the other was to transfer jurisdiction in divorce to the Exchequer Court of Canada. I supported that bill to the extent of the suggestion of widening the grounds of divorce, but I was unable to follow him in the suggestion that we transfer the jurisdiction to the Exchequer Court, although I was perfectly ready to transfer it to the ordinary courts. I thought the Exchequer Court was not the proper tribunal to which to transfer the jurisdiction. My remarks on that occasion are fully set out in *Hansard*.

Hon. Mr. Choquette: Did you favour the Supreme Court of Canada?

Hon. Mr. Roebuck: No, I do not think that is the proper court to which to transfer jurisdiction. If we are going to transfer jurisdiction to the courts it should be transferred to the ordinary courts which sit in the province, so that witnesses would not have to travel all the way to Ottawa to be heard. It should not be transferred to the Exchequer Court of Canada, which is concerned with matters of Government revenue and similar matters, and not so much with trials and contests between litigants. The jurisdiction should go to the Supreme Court of the province, and I mean the Supreme Trial Court and not the Appeal Court. That was my view, as a lawyer, in the matter.

I refused to support legislation that had even the appearance of coercing the province of Quebec, and that is my position now. I am willing to transfer this jurisdiction when the province of Quebec agrees to it. I am not prepared to do anything that even appears to be high-handed or oppressive or coercive to the province of Quebec. When the leaders of opinion in the province of Quebec consider this situation and our position in it, and come to some reasonable solution, I am sure they will find all of us in this house ready to co-operate with them to the very last degree. They can rest assured that so long as men of my mind are senators we will never do anything that is oppressive to that province.

Hon. W. M. Aseltine: Honourable senators, I would like to say just a word. If the solution suggested by the honourable senator from De la Durantaye (Hon. Mr. Pouliot) were adopted I know, and everyone knows, exactly what would be the result. Suppose the jurisdiction were transferred to the provinces, the province of Quebec would then acquire jurisdiction but would not set up any courts in the province. Honourable senators from that province have continually voted against the bills which I have introduced. The minority in that province—and this might be true also of the minority in Newfoundland—would not be able to get any relief whatsoever by way of divorce. If I may say so, I think that is what was in the mind of the honourable senator from De la Durantaye (Hon. Mr. Pouliot).

Hon. Mr. Pouliot: My honourable friend the Leader of the Government (Hon. Mr. Aseltine) has many gifts, but unfortunately, he has not that of mind-reading.

Reports adopted.

BILLS—SECOND READINGS

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

Bill SD-1, for the relief of Frank Gerald Donnelly.

Bill SD-2, for the relief of Romeo DiIorio.

Bill SD-3, for the relief of Marie Evelina Simone Lorette Charest Gelinas.

Bill SD-4, for the relief of Yvette Dubois Leduc.

Bill SD-5, for the relief of Lily Cohen Turner Hamburger, otherwise known as Lily Cohen Turner Hamburg.

Bill SD-6, for the relief of Marthe Turcotte Bazire.

Bill SD-7, for the relief of James Joseph Kalmin.

Bill SD-8, for the relief of Barbara Dolores Jones Ogilvie.

Bill SD-9, for the relief of Margaret June Barrie Belanger.

Bill SD-10, for the relief of Hannah Margaret Burlie Griffiths.

Bill SD-11, for the relief of Ruth Sherman Roll.

Bill SD-12, for the relief of Francis Lawrence Bray.

Bill SD-13, for the relief of Beverly Cowan Moore Robinson.

Hon. Mr. Pouliot: I would like to know if all the reports, with the evidence, have been tabled?

Hon. Mr. Roebuck: Yes, they have. Every one of these bills has been tabled, and in every instance the report of the committee has been adopted.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: Next sitting.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. W. Ross Macdonald: Honourable senators, before the house adjourns may I ask the honourable Leader of the Government (Hon. Mr. Aseltine) what the business of the house will be tomorrow?

Hon. W. M. Aseltine: The debate on the Address in reply to the Speech from the Throne will be continued. I am not prepared to proceed with the motion standing in my name and I propose to ask that it stand for probably three or four weeks.

Hon. Mr. Macdonald: Thank you.

Hon. J. W. de B. Farris: Honourable senators, in taking part in the debate on the Address in reply to the Speech from the Throne yesterday, the honourable Leader of the Government mentioned that cabinet ministers and deputy ministers were available for attendance at Senate committee meetings, which of course is something we all regard as most desirable. However, I want to call my honourable friend's attention to the fact that some years ago the rules of this house were amended to permit any member of the cabinet in the House of Commons to introduce legislation in this house. The amended rules provided that he be allowed to attend here and take part in the debate just as though he were a member of this chamber. It was hoped that this would result in more of the substantial and bigger issues being initiated here for discussion. That amendment has been taken advantage of in some cases, but not very often. There is a good deal of discussion going on now about the amount of work which members of the House of Commons have to do, and at different times the complaint has been made here that we do not get enough to do.

I would ask the honourable Leader of the Government if he has ever been in touch with the ministers of the cabinet to ascertain whether some of the more important legislation that is usually introduced in the Commons could be introduced here.

Ministers used to say they wanted to keep control of their own legislation. Of course, the amendment to our rules enabled ministers to come here, take part in the discussion on their bills from the beginning to end and do everything but vote. So they could keep full control over their legislation. I suggest there ought to be a revival of interest in that scheme and I would ask my honourable friend if he has called or if he will call this matter to the attention of the various ministers.

Hon. Mr. Aseltine: Honourable senators, I am not very much in favour of that system. I will say that most of the important bills must originate in the other house because they have to do with money matters. Under the British North America Act they could not be properly introduced in this house. During the two or three years that I have been Leader of the Government here there have been no other bills of such importance that it has been necessary to bring a minister here to deal with them. I agree with what the honourable senator from Shelburne (Hon. Mr. Robertson) said this afternoon, that under that system we would not get any more information from ministers, and perhaps not as much as we get by following our regular practice. We have no right to cross-examine them. I do not know just what the stand is on this matter at the present time. I will take it into consideration and talk it over—

Hon. Mr. Farris: And forget about it.

Hon. Mr. Aseltine: —with the powers that be and see what results.

Hon. Mr. Macdonald: Perhaps some more cabinet ministers will be appointed to this house in the near future.

Hon. Arthur W. Roebuck: Honourable senators, while I certainly do not wish to disagree with the honourable senator from Vancouver South (Hon. Mr. Farris), I rather agree with the honourable Leader of the Government (Hon. Mr. Aseltine). I am not much in favour of having ministers come here to explain their legislation. They explain it in the House of Commons, and if we wish we can read what they say.

Hon. Mr. Macdonald: The honourable senator from Vancouver South wanted more legislation initiated here.

Hon. Mr. Roebuck: Honourable senators, after all we are a house of sober second thought, and probably the best arrangement is the present one, whereby legislation introduced in the House of Commons is discussed

here in the light of what has been said over there and any further information we have been able to obtain. I have never had any difficulty in finding out about legislation when I have spent the necessary time doing so. We can always call for the deputy ministers and their departmental assistants to appear in committee, and in that way we probably get our information from the same source as the ministers do—and we might even get it better. I think our system of committees is a very fine one. It provides us with all the avenues of inquiry, opportunities of study, investigation and so forth. I would just as soon keep members of the other house away from this chamber and carry on our work as best we can. So far this practice has been most effective. I am not much concerned about whether ministers come here or not. They can come if they wish to; I am not opposing their coming.

Hon. Mr. Farris: I think the honourable Leader of the Government (Hon. Mr. Aseltine) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) have overlooked that our rules were amended in order that more bills could originate in this house so as to relieve the pressure of work on the Commons. So much work is done in the Commons that Parliament has to sit for six or seven months of the year.

Hon. Mr. Roebuck: You have a point there.

Hon. Mr. Farris: Some very important legislation has been initiated in this house from time to time. When I first came to the Senate I used to be more filled with enthusiasm about work in the Senate than I am now.

Hon. Mr. Macdonald: You must have been overflowing then.

Hon. Mr. Farris: Yes. I worked with others to have our rules amended in this way because every time we spoke to a cabinet minister, as I did several times, about coming here, he would reply, "Oh, no, I don't want to introduce my bill in the Senate; I want to have control over it." I am not suggesting that cabinet ministers should come over here merely for our benefit in hearing them speak. I am pointing out that our rules were amended so that ministers could maintain control over their legislation and still introduce it here.

Hon. Mr. Aseltine: I have raised the point that most of the important bills are money bills and they cannot be introduced in this house.

Hon. Mr. Farris: Well, we have dealt with the Shipping Act, the Banking Act and the Criminal Code here.

Hon. Mr. Aseltine: And we still initiate such legislation here.

Hon. Mr. Farris: Not as often as we ought to.

Hon. Mr. Aseltine: I initiated about fifteen or sixteen Government bills in the Senate last session, and I hope to be able to continue the practice.

Hon. Mr. Roebuck: We arranged that ministers could control their bills, but not that they should control us. That is the trouble.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 4, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following:

Further Supplementary Estimates (1) for the fiscal year ending March 31, 1960.

Report of the Fisheries Research Board of Canada for the fiscal year ended March 31, 1959, pursuant to section 15 of the Fisheries Research Board Act, Chapter 121, R.S.C. 1952. (English and French texts).

PRIVATE BILL

MONTREAL LIFE INSURANCE COMPANY—FIRST READING

Hon. Léon Méthot, for Hon. Mr. Monette, presented Bill S-11, respecting Montreal Life Insurance Company.

Bill read first time.

Hon. Mr. Vaillancourt: Is this for a new company?

Hon. Mr. Méthot: No, it is an existing company which seeks power to add a French version to its English name.

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

Hon. Mr. Méthot: With leave, Tuesday next.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 80 to 106, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILL

BRITISH AND FOREIGN BIBLE SOCIETY—REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-8, respecting The British and Foreign Bible Society in Canada, and had directed him to report the same to the Senate without amendments.

Report adopted.

THIRD READING

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

Hon. William R. Brunt: Honourable senators, Mr. H. D. Langdon, solicitor for the society, and the Reverend Kenneth McMillan, general secretary of the society, appeared before the committee when the bill was being considered this morning. At the close of the committee's meeting they asked me to try to obtain third reading of the bill today, because all their printing will be held up until the bill has been passed by both houses and given the royal assent.

For that reason, with leave of the Senate, I move, seconded by the Honourable Senator Horner, that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

WINDSOR HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-4, to amend the Windsor Harbour Commissioners Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Brunt: Next sitting.

Hon. Mr. Roebuck: That will be Tuesday next, I presume?

Hon. Mr. Brunt: Yes.

Hon. Mr. Macdonald: I would like to know whether the bill will be placed on the Order Paper for third reading at the next sitting or Tuesday next, or will the next sitting be Tuesday next?

The Hon. the Speaker: It probably will be.

Hon. Mr. Aseltine: I suppose the honourable Leader of the Opposition (Hon. Mr. Macdonald) wishes to know when the next sitting will be?

Hon. Mr. Macdonald: Yes.

Hon. Mr. Aseltine: I propose to submit a motion that the next sitting be on Tuesday next.

Hon. Mr. Euler: In the afternoon or evening?

Hon. Mr. Aseltine: I am sorry there is so much impatience. It will be next Tuesday evening at 8 o'clock.

Hon. Mr. Brunt: Barring an earthquake.

OSHAWA HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-5, to incorporate the Oshawa Harbour Commissioners, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Brunt: Next sitting.

Hon. Mr. Roebuck: Which will be Tuesday next?

Hon. Mr. Brunt: Yes.

NANAIMO HARBOUR COMMISSIONERS BILL

REPORT OF COMMITTEE

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-10, to incorporate the Nanaimo Harbour Commissioners, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Brunt: I move that the bill be placed on the Order Paper for third reading at the next sitting, Tuesday evening.

Hon. T. A. Crerar: Honourable senators, before the bill is given the third reading I would be grateful if the sponsor, the Deputy Leader of the Government (Hon. Mr. Brunt), could give us the reasons why it is considered necessary to establish a harbour commission at Nanaimo, and, I might add, at Oshawa. Long experience has convinced me that wherever a harbour commission is established the expense for administration of the harbour commences to mount. I think that once in a while at any rate, we should have some little regard for the taxpayers of this country. Therefore, being a doubting Thomas in this matter, I hope that my honourable friend will be able to produce the necessary reasons to convince not only a doubter like myself, but the whole house, that this bill is well merited.

Hon. Mr. Brunt: Honourable senators, I regret very much that the honourable senator from Churchill (Hon. Mr. Crerar) was unable to attend the meeting this morning of the Committee on Transport and Communications, because this matter was thrashed out there. I think that the reasons given in committee were valid ones, and they were stated much better than I could hope to state them. I will endeavour to have the verbatim report of the committee's proceedings printed before next Tuesday, and if it is I will see that the honourable senator gets a copy, in which he will find all of the reasons set out in detail.

Hon. Mr. Crerar: I do not think you need to go to that expense.

Hon. Mr. Macdonald: Honourable senators, before the bill does come up for third reading, I feel it is essential that this morning's proceedings of the committee should be printed and distributed. I shall not be prepared to go on with the third reading until I have an opportunity of reading those proceedings.

Hon. Mr. Brunt: It is to be hoped that every honourable senator will have a printed copy of the proceedings before next Tuesday evening.

Motion agreed to.

HARBOUR COMMISSIONERS BILLS

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, presented the following report:

The Standing Committee on Transport and Communications, to whom was referred the Bills S-4, an Act to amend the Windsor Harbour Commissioners Act, Bill S-5, an Act to incorporate the Oshawa Harbour Commissioners, and Bill S-10, an Act to incorporate the Nanaimo Harbour Commissioners, recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bills.

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

Hon. Mr. Macdonald: Now.

On motion of Hon. Mr. Connolly (Halifax North), report adopted.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns it stand adjourned until Tuesday next, February 9, 1960, at 8 o'clock in the evening.

Motion agreed to.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-28, for the relief of Barbara Jean Gillies Harris Cooke.

Bill SD-29, for the relief of Evelyn Annie Macleod Vaillancourt.

Bill SD-30, for the relief of Erwin Thomas Steppan.

Bill SD-31, for the relief of Donald Snowdon.

Bill SD-32, for the relief of Mary Nisbet Clements.

Bill SD-33, for the relief of John Thomas Francis White.

Bill SD-34, for the relief of Helen Frances Estelle Kearney Freeman.

Bill SD-35, for the relief of Joseph Alphonse Yves Jean Gabriel Lalonde.

Bill SD-36, for the relief of Omer Therrien.

Bill SD-37, for the relief of Helen Elisabeth Millar Ramshaw.

Bill SD-38, for the relief of Marie Rita Dube Hould.

Bill SD-39, for the relief of Stella Jean Margaret Newman Lamartine.

Bill SD-40, for the relief of Larry Orsa.

Bill SD-41, for the relief of Margaret Estelle Eleanor Evans Lanese.

Bill SD-42, for the relief of Brenda Mary Pardy Thacker.

Bill SD-43, for the relief of Jean Brasgold Martz.

Bill SD-44, for the relief of Lily Schucher Cohen.

Bill SD-45, for the relief of Anna Margaret Laurie Cannon Stevenson.

Bill SD-46, for the relief of Glafira Milczyn Sohn, otherwise known as Vera Milczyn Sohn.

Bill SD-47, for the relief of Militza Anich Racette.

Bill SD-48, for the relief of Joan Emily Wills Meehan.

Bill SD-49, for the relief of Roger Vermette.

Bill SD-50, for the relief of Rose Vosko Ribkoff.

Bill SD-51, for the relief of Vivian Phyllis Steine Skolnik.

Bill SD-52, for the relief of John Gilbert Oakley.

Bill SD-53, for the relief of Eard Bernard Lapierre.

Bill SD-54, for the relief of George William Douglas Edmonds.

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Bill SD-55, for the relief of Marie Rose Nicola Lapenna McLaughlin.

Bill SD-56, for the relief of Delema Grace Mullin Simon.

Bill SD-57, for the relief of Earle James Andrew Aspell.

Bills read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

UNEMPLOYMENT INSURANCE

FISHERMEN'S BENEFITS

Hon. Donald Smith inquired of the Government, pursuant to notice:

1. What was the date of amendments and additions to Unemployment Insurance Regulations which provided for benefits for "year-round" fishermen?
2. How many fishing weeks in each quarter of the year are necessary for classification as a "year-round" fishing vessel?
3. Does classification as a "year-round" fishing vessel depend on meeting any specific standards of size? If so, what are these standards?
4. In Nova Scotia, during 1959, how many applications for non-seasonal benefits as "year-round" fishermen have been (a) approved? (b) refused?
5. Are fishermen, who are otherwise qualified, entitled to benefits for any week during which their actual net share received from their "employer" amounts to less than $9? If not, why not?

Hon. W. M. Aseltine: Honourable senators, I have the following answer to the honourable gentleman's inquiry:

1. 28 November, 1957.

2. No number of weeks specified in regard to a vessel. However, the Unemployment Insurance Regulations define a "year-round fisherman" as a fisherman

(a) whose last employment prior to his claiming unemployment insurance benefit was on a vessel that, in the opinion of the Unemployment Insurance Commission,

(i) ordinarily carried on fishing operations at all times of the year, and

(ii) employed the crew under a contract of service or similar arrangement, resulting in their having no control over their employment and unemployment and the circumstances concerning their separation from employment being readily verifiable, and

(b) who has been in contributory employment as a fisherman in at least six weeks in each of any four consecutive calendar quarters during the period of the most recent seven quarters prior to the date of his claim.

3. See 2. In determining whether the operations of a fishing vessel and the conditions of employment of its crew come within the description in subparagraph (a) (i) and (ii), the commission takes into consideration the size of the vessel and several other factors such as the type of vessel, the kind of fishing in which

it engages, the size of its crew, the continuity of its operations, and the degree to which the employment of the crew approximates employment under a contract of service.

4. During the calendar year 1959 applications for benefit as "year-round fishermen" were received from 197 Nova Scotia fishermen working on vessels of the type described in 2(a). Of these, 155 qualified for benefit as "year-round fishermen" and 42 failed to meet the qualifying requirements.

5. For a week in which he is unemployed, a fisherman or any other claimant who is otherwise qualified is entitled to unemployment insurance benefit at the weekly rate appropriate in his case without any reduction in the amount unless he has earnings in excess of one-half of his weekly benefit rate. If his earnings exceed one-half of his weekly benefit rate, his benefit for that week is reduced by the amount of the excess. Therefore, if a claimant's weekly benefit rate was $18 or more he could earn up to $9 in a week without loss of benefit.

HON. CAIRINE R. WILSON

BIRTHDAY FELICITATIONS

On the Orders of the Day:

(Translation):

Hon. Mariana B. Jodoin: Honourable senators, before the orders of the day are proceeded with, may I offer our best anniversary wishes to the Hon. Senator from Rockcliffe (Hon. Mrs. Wilson), who was the first woman to be appointed to the Senate?

(Text):

Hon. Cairine R. Wilson: Honourable senators, I wish to thank the honourable senator from Sorel (Hon. Mrs. Jodoin) for her kind remarks.

I feel rather concerned to learn that I have, by the most considerate reckoning, entered on my fourth decade in this honourable house. I was asked this morning by a reporter if I were the senior senator. My deskmate (Hon. Mr. Lambert) asks if he is the junior senator from Ottawa. He is my senior by a few days, but I regret that I am by a long way his senior in this honourable house.

I am grateful for the good wishes. Unfortunately, these events creep up all too quickly on us now. I cannot say that I have acquired grey hairs in this chamber; I only wish that I could perhaps have made a greater contribution over the years that I have sat here.

I may say that ever since I entered this chamber in fear and trembling as to how I might be received by the male members, I have met with the greatest courtesy.

I thank you all.

ESTIMATES

TABLED IN COMMONS EARLIER THAN IN SENATE

On the Orders of the Day:

Hon. W. Ross Macdonald: Honourable senators, before the Orders of the Day are called may I say that I was shocked yesterday when I left this chamber and learned that the supplementary estimates for the current fiscal year, 1959-60, which up to then had not been tabled here, had been tabled in the other place. But that shock was nothing to the one I received a short while ago on learning that the main estimates for the next fiscal year, 1960-61, were tabled in the other place this afternoon, though they have not been tabled in the Senate.

We are to adjourn until Tuesday next and we shall be without these estimates until that time. It has always been the custom to have the estimates tabled in both houses simultaneously.

I do not know whether I should bring this to your attention, Mr. Speaker, or to that of the Leader of the Government (Hon. Mr. Aseltine). In any event, I am bringing it to the attention of the Senate.

Hon. Mr. Aseltine: Honourable senators, I may say that I did not know that the estimates were tabled in the other house today. I have not received them yet. I may receive them before the Senate adjourns today, and if so I will ask leave to table them.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-1, for the relief of Frank Gerald Donnelly.

Bill SD-2, for the relief of Romeo Diliorio.

Bill SD-3, for the relief of Marie Evelina Simone Lorette Charest Gelinas.

Bill SD-4, for the relief of Yvette Dubois Leduc.

Bill SD-5, for the relief of Lily Cohen Turner Hamburger, otherwise known as Lily Cohen Turner Hamburg.

Bill SD-6, for the relief of Marthe Turcotte Bazire.

Bill SD-7, for the relief of James Joseph Kalmin.

Bill SD-8, for the relief of Barbara Dolores Jones Ogilvie.

Bill SD-9, for the relief of Margaret June Barrie Belanger.

Bill SD-10, for the relief of Hannah Margaret Burlie Griffiths.

Bill SD-11, for the relief of Ruth Sherman Roll.

Bill SD-12, for the relief of Francis Lawrence Bray.

Bill SD-13, for the relief of Beverley Cowan Moore Robinson.

Hon. Jean-François Pouliot: Honourable senators, before this motion is put I would like to send to His Honour the Speaker, to the honourable Leader of the Government (Hon. Mr. Aseltine), to the honourable Leader of the Opposition (Hon. Mr. Macdonald) and to the honourable Chairman of the Divorce Committee (Hon. Mr. Roebuck) extracts from the Confederation Debates pertaining to marriage and divorce. I will not have anything to say on the subject for the time being, but I would like my honourable colleagues to glance over these debates at their own leisure during the weekend, and I will draw my conclusions when other divorce bills come up on Tuesday evening next.

Hon. Mr. Roebuck: Honourable senators, I can assure the honourable gentleman that all four of us, though I speak for myself particularly, will read this memorandum with great care.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. William A. Boucher: Honourable senators, in rising to speak to you today, I am deeply and humbly conscious of the great honour and privilege of being a member of this chamber. My first words must be to express my warm and heartfelt appreciation for the many kindnesses and courtesies that have been shown to me by the distinguished and very able members of the Senate. It is an experience I will always cherish.

Honourable senators, we are living in a dynamic and wonderful age, which imposes great responsibilities on the Parliament of Canada, of which we are a legal and vital part. Perhaps it would assist us in discharging these responsibilities if we looked back for a few minutes to see how we arrived at our present position with its great possibilities.

Coming as I do from the vast area of northern Saskatchewan, I would like to pay tribute to our pioneers, indeed to all pioneers of western Canada, to those who blazed the first trails by establishing the fur trade and who thus brought to the attention of peoples all over the world the great opportunities offered in Saskatchewan. From the year 1890 to 1910 development was rapid, impelled by a very noble longing by people to own their own land, to have greater freedom, and to live in peace. They came—peoples from the eastern and central provinces of Canada, from the British Isles, from all over the continent of Europe, people of different customs and languages. We are proud of them. They gave us their best, their all. When we remember that the progress I shall indicate all came within the lifetime of many honourable members of this Parliament, we realize the truth of the statement "They builded better than they knew". Railway lines were extended to keep pace with the settlers and grain production increased by leaps and bounds.

We have many and varied resources in northern Saskatchewan—minerals and forests and fish—but the great majority of our people love the land and cultivate it. I make no apology for bringing them to your attention, for commending them to you. You will realize that their achievements have meant much to the people of all Canada, not least to the people of the great central provinces of our country, and wheat is still a magic word for Canada. The late Dr. Cora Hind in her *Story of Wheat* tells us that in October 1876 R. C. Steele arrived in Winnipeg looking for 5,000 bushels of seed wheat because the wheat crop in Ontario was practically a failure that year. All he could assemble was 857 bushels. That was before Saskatchewan started to grow the wheat that has brought fame and wealth to all Canada. Those 857 bushels were taken by steamer up the Red River and eventually to Duluth. The first Canadian wheat actually quoted on the Liverpool Corn Exchange of Britain was in 1892, less than 70 years ago.

From this small beginning has grown the great grain-growing industry of western Canada, of which wheat is still the principal cash crop, and which in any average year amounts to more than 800 million bushels of all cereal grains, and puts into circulation, even at today's lower prices, more than a billion dollars of new money. Our grain—that is our feed grain—is also the basis of a growing livestock industry, one of which we are quite proud. This industry too is growing by leaps and bounds in northern Saskatchewan.

It is noted that this tremendous achievement of production was made by the pioneers of northern Saskatchewan, who refused to admit any limitations, and who will carry on with courage, even in this year when so many of our crops are out in the snow and so much

of our livestock has to be sold for lack of feed. We would like the people of all Canada to understand that we do not ask for anything that we have not ourselves earned and paid for.

I would call attention today to two or three things which were basic to the achievement of our people and the progress of our production. They are even basic to our continued production. The volume of this production benefits many people in many areas of Canada—the people who haul our grain, the people who handle it, the people who process it, the people who sell it. If we read the report of a recent inquiry we find that many people of Canada actually benefit from this production more than do those who primarily produce it.

Perhaps the outstanding item basic to this development is the cost at which our terrific volume of production is hauled. Here too the pioneers in Canada builded even better than they knew. Here too I pay tribute to our early Governments, our pioneer businessmen and our pioneer railway builders as well as our farmers. All realized that no great production could be achieved without railways to haul it to markets.

Apparently too all realized that the long rail haul to and from western Canada—lacking the saving protection of water competition—would make it impossible to establish a stable industry without statutory freight rate protection. Here I think the genius of the people of Canada for reaching workable solutions to all problems showed up at its best. We got the railroads and the statutory rate protection and it was paid, as I shall show, principally by the people of western Canada, and to a much lesser extent by the people of all Canada, who, as I have indicated, benefited by this production.

For the history of this achievement I would cite an Act of Parliament dated February 15, 1881 assenting to an agreement made between the Government of that day and the Canadian Pacific Railway. This agreement subsidized the C.P.R. to the extent of $25 million from the Treasury of Canada, plus 25 million acres of land then held in trust for the people of western Canada, plus land for roadbeds, station grounds, workshops, dock-grounds and water-fronts, plus free duties on materials and certain specified freedoms from taxation. When we consider that the people of western Canada bore their full share of the $25 million subsidy and the tariff and tax concessions, it would not be unfair to say that 85 per cent of the subsidies to the C.P.R. came from the people of western Canada.

In this respect I would quote from Oscar Skelton, a name which is highly revered wherever Canadian affairs are discussed. This quotation is taken from *The Railway Builders*, at page 159:

> The fact remains that the bulk of the resources utilized in the original building of the railway were provided or advanced by the people of Canada. The Canadian Pacific is as truly a monument of public as of private faith.

The next susbidy was made when basic freight rates were established. Here I would quote from the report of the Royal Commission on Transportation dated February 9, 1951. As you are aware, the chairman of that Royal Commission was the Honourable W. F. A. Turgeon, the very distinguished brother of my honourable friend from Cariboo. At page 238 of the report is the chapter headed "Crowsnest Pass Rates", and the first sentence of that chapter reads:

> The rates known by this name form an important part of our freight rate structure.

From page 239 I quote:

> The line of railway was built, the Government paid the Company a subsidy of $3,404,720,

Let me remind you here, honourable senators, that this was in addition to the previous $25 million.

> and the agreement concerning freight rates became fully effective on September 1, 1899.

Again, I would remind you, honourable senators, that at this time and for this purpose the Government of British Columbia, having control of its own resources, turned over to the C.P.R. an additional 250,000 acres of rich land. This fact is stated on page 240 of the Royal Commission's Report of 1951. You know that in 1925 Parliament made a readjustment of these Crowsnest Pass rates, and established them for grain and grain products by statute. Surely no one will now claim that these gifts, these payments and land subsidies, and the contingent rich corporations which they brought to the C.P.R., should be left out of account when western freight rates are considered.

Hon. Mr. Reid: They never have been left out.

Hon. Mr. Boucher: Surely no one will deny that the great advance made by bulk handling of grain, the great increase in volume since the first 857 bushels were shipped from Winnipeg, and the great technical improvements in rail transportation make it possible to haul at lower costs now than were possible when the agreement was made.

For the record I would quote again from the report of the Royal Commission. This is the considered opinion of the commission, as taken from page 243, and it refers to a certain submission made by one of the railroads:

> It is assumed in this presentation ... that the Crowsnest Pass rates on grain and flour have

always been a burden either upon the railways or upon the shippers and consignees of other commodities.

The company's assumption in this respect is not borne out by the facts.

On page 244 of the report, referring to a formula by one railroad that sought to prove losses at the present rates, the Royal Commission said:

...it is not possible to say what might be the product of the application of some other formulae asserted to be more accurate.

With great respect I would ask the elected Government of Canada not to remove the grain growers' statutory protection. It would eventually be the end of the growing of grain for export in western Canada, and the impact on the rest of Canada would be little short of disastrous.

Perhaps the second factor in establishing the great industry of growing grain for export in western Canada is the ability and willingness of Canada to trade in the greatest possible freedom with any part of the world that will trade with it. I would, again, plead with the Government to keep and even to extend the avenues of trade that we have. The consequences of any other course are too dangerous to contemplate. One of the penalties surely would be more complete subservience to our great and friendly neighbour. Our people came to Saskatchewan to acquire independence and freedom. More than ever these are worth keeping in the world of today, and it is our solemn duty to keep them.

(Translation):

Honourable senators, my first words in French will be to express my deep appreciation to the illustrious and distinguished members of the Senate for the courtesy and kindness they have shown me. I well remember the warm welcome with which I was greeted upon entering the Senate.

You are all familar, no doubt, with the story of the great western migrations which occurred during the nineteenth century in the country of our neighbours to the South. And in our own country there were similar migrations. In 1882 our Saskatchewan pioneers left the Red River to settle with their families on the shores of the Saskatchewan River, nearly 600 miles farther on. Grouped together to facilitate the formation of parishes and to give their children a religious education, these pioneers were inspired by the spiritual values resulting from their deep faith and indomitable courage. At that time so far removed from our own, they already understood the necessity of learning the two languages of the country and they did everything they possibly could to obtain bilingual teachers.

(Text):

Honourable senators, at this threshhold of a dynamic period of progress and achievement, I would plead with the people and the responsible Government of Canada to preserve the great values of our Canadian life, so that our country shall be in the future, as it has been in the past, a land where opportunities are limited only by our own ability and industry.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce Nos. 67 to 79, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

BILLS—SECOND READINGS

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

Bill SD-14, for the relief of Enid Grace Pascoe Dawson.

Bill SD-15, for the relief of George Barrington Redfearn.

Bill SD-16, for the relief of Shirley Veronica Hannah Groves.

Bill SD-17, for the relief of Leonia Szafarz Falk.

Bill SD-18, for the relief of Audrey Louise Bryan Sevigny.

Bill SD-19, for the relief of Janet McMillan Sim Sinclair Kerr.

Bill SD-20, for the relief of Jacqueline Joly Mazurette.

Bill SD-21, for the relief of Shirley Evelyn Ellis Bertram.

Bill SD-22, for the relief of Sally Emden Rohr.

Bill SD-23, for the relief of Barbara Steinberg Shapiro.

Bill SD-24, for the relief of Olga May Hospadaruk Edwards.

Bill SD-25, for the relief of Georgette Rosenberg Korman.

Bill SD-26, for the relief of Julianna Catharina Mehilercsik Jutras.

Bill SD-27, for the relief of Helen Kurtzman Bernard.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: Next sitting.

ESTIMATES TABLED

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate I will now table the Estimates for the fiscal year ending March 31, 1961.

Hon. Mr. Macdonald: That is wonderful.

Hon. Mr. Aseltine: I wish to say it was an oversight that a copy of these estimates did not reach me before this afternoon's sitting of the Senate began. Copies have been sent to the Senate Post Office and every senator will find a copy in his mail box.

Hon. Mr. Macdonald: May I thank the honourable Leader of the Government (Hon. Mr. Aseltine) for the action he has taken in this respect.

Hon. Mr. Roebuck: And the promptness with which he acted.

The Senate adjourned until Tuesday, February 9, at 8 p.m.

THE SENATE

Tuesday, February 9, 1960

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

Prayers.

INTERNAL ECONOMY

REPORT OF CIVIL SERVICE COMMISSION

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that I have received a report from the Civil Service Commission.

Report read by the Clerk Assistant:

CIVIL SERVICE COMMISSION

February 4, 1960

To: The Honourable Members of the Senate

The Civil Service Commission has the honour to submit the following report.

Under sections 11 and 62 of the Civil Service Act, the Civil Service Commission recommends, for approval of the Governor in Council, that compensation for the class

SPEAKER'S STEWARD

which is at present:

Annual: $3720 3870 4020 4170.

be revised effective February 1, 1959, to read:

Annual: $4050 4200 4350 4500.

Attached hereto is a copy of a report in connection with the above.

Respectfully submitted,

Sam Hughes
Chairman

Ruth E. Addison
Commissioner

Paul Pelletier
Commissioner

Mark R. Drouin
Speaker of the Senate

On motion of Hon. Mr. Aseltine, report referred to Standing Committee on Internal Economy and Contingent Accounts.

REPORT OF CIVIL SERVICE COMMISSION

The Hon. the Speaker: Honourable senators, I have the honour to present to the Senate a further report of the Civil Service Commission.

Report read by the Clerk Assistant:

CIVIL SERVICE COMMISSION

February 4, 1960

To: The Honourable Members of the Senate

The Civil Service Commission has the honour to submit the following report.

Under sections 11 and 62 of the Civil Service Act, the Civil Service Commission recommends, for approval of the Governor in Council, that compensation for the class

ASSISTANT POSTMASTER, SENATE

which is at present:

Annual: $3570 3720 3870 4020

be revised, effective April 1, 1959, to read:

Annual: $3900 4050 4200 4350.

Attached hereto is a copy of a report in connection with the above.

Respectfully submitted,

Sam Hughes
Chairman

Ruth E. Addison
Commissioner

Paul Pelletier
Commissioner

Mark R. Drouin
Speaker of the Senate

Hon. W. M. Aseltine moved that the report be referred to the Standing Committee on Internal Economy and Contingent Accounts.

Hon. Mr. Isnor: May I inquire what is the date of the Civil Service Commission's report?

Hon. Mr. Aseltine: There does not appear to be any date on the report except April 1, 1959.

Hon. Mr. Isnor: That is when it is to go into effect. I want to know the date when the report was made. . . . The report has just been handed to me and I see a date at the top, February 4, 1960.

Hon. Mr. Aseltine: I cannot assist my honourable friend in this.

Motion agreed to.

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, I wish to present 18 petitions in divorce.

Honourable senators have often expressed interest in the progress being made by the Divorce Committee, of which I have the honour to be chairman. I like to make reports from time to time so as to keep my fellow members informed.

As of February 8, petitions filed totalled 439, which is a very large docket. The number of petitions heard and recommended was 143. There are 5 petitions pending completion, which have some technicalities holding them up, otherwise the number would be 148, or just a litle over one-third of the docket as it stands today. However, as was pointed out the other day, petitioners still have until February 24 to file petitions. As of February 8 there were 283 petitions still to be considered.

I thought honourable senators might like to have these figures.

Hon. Mr. Brunt: Can the honourable senator tell us how many contested petitions have been heard?

Hon. Mr. Roebuck: None as yet. We have received contestation notices in about 30 cases; I cannot give you the exact number. Not long ago I reported that we had 25 such cases, but some more will have come in since

then. It will be somewhere between 25 and 30 cases. Something more than 10 contested cases have already been set for trial. May I point out that we now have several lawyers on our committee. There was a time when I felt myself to be rather alone in that regard, and I heard all the contested cases by myself as chairman. Today we have no fewer than six lawyers on this committee, and I am very glad to report that they are all generous with their time. The ten or more contested cases have all been assigned to chairmen who are lawyers, and I know they will perform the task well and properly. The members of the Committee on Divorce agree that a lawyer is needed as chairman on each subcommittee hearing a contested case. I am very grateful indeed to those of my colleagues who are lawyers and who have kindly consented to chair these various hearings.

The committee has been sitting every day from Monday to Friday since the sittings commenced, and will continue to do so until next Friday. For the first time in three weeks we shall have Friday off. Commencing on Monday of next week we shall sit in the regular way on Mondays and Fridays, and the contested cases will be called on Tuesdays. So we shall have a pretty full docket.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

The Canada Gazette, Part II, Statutory Orders and Regulations, Consolidated Index and Table of Amendments for the period January 1, 1955 to December 31, 1959, pursuant to the provisions of section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report on the administration of allowances for Blind Persons in Canada, for the fiscal year ended March 31, 1959, pursuant to section 12 of the Blind Persons Act, Chapter 17, R.S. 1952, and amending Statutes. (French text).

Seventh Interim Report of the International Commission for supervision and control in Cambodia. (English text).

Agreement to supplement the agreement between the parties to the North Atlantic Treaty regarding the status of their forces with respect to foreign forces stationed in the Federal Republic of Germany and related agreements. Signed at Bonn, August 3, 1959. (English and French texts).

Agreement between the Government of Canada and the Government of the Commonwealth of Australia for co-operation in the peaceful uses of atomic energy. Signed at Ottawa, August 4, 1959. (English text).

Exchange of notes between Canada and the United States of America renewing permission for the use by the United States Army of the Haines cut-off road for the winter maintenance of the Haines-Fairbanks pipe line. Signed at Ottawa, August 17 and 20, 1959. (English and French texts).

Air Transport Agreement between Canada and the Federal Republic of Germany. Signed at Ottawa, September 4, 1959. (English and French texts).

Exchange of notes between the Government of Canada and the Swiss Federal Council concerning the taxation of enterprises operating ships and aircraft. Signed at Berne, September 22, 1959. (English and French texts).

Exchange of notes between Canada and Venezuela concerning visa requirements for non-immigrant travellers of the two countries. Signed at Ottawa, October 5 and 8, 1959. (English and French texts).

Agreement with exchange of notes between the Government of Canada and the European Atomic Energy Community (EURATOM) for co-operation in the peaceful uses of atomic energy. Signed at Brussels, October 6, 1959 and November 18, 1959. (English and French texts).

Report of the Department of Citizenship and Immigration for the fiscal year ended March 31, 1959, pursuant to section 7 of the Department of Citizenship and Immigration Act, Chapter 67, R.S. 1952. (English and French texts).

PRIVATE BILL

ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-12, respecting The Algoma Central and Hudson Bay Railway Company.

Bill read first time.

Hon. Mr. Roebuck: Will the honourable senator please explain?

Hon. Mr. Leonard: Honourable senators may recall that in the session of 1958 Parliament passed an act respecting this railway company, providing for a financial reorganization of the company. It had had quite a checkered career from the financial standpoint and for a period of some more than forty years, I think, had really been under the control of the creditors. The financial reorganization was arranged in order to pay off the then existing creditors by a new issue of securities. After this was ratified by Parliament new securities were issued and the old debts were paid, and for the first time in something over forty years this company began to function under the direct control of its shareholders. At the annual meeting last year it was the shareholders who elected the directors who are now operating the company. As they have started to operate in the normal way they have found that the bylaws and the original charter under which they were incorporated 60 years ago need to be tidied up and brought up to date. This bill is for that purpose.

Hon. Mr. Roebuck: Thank you.

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

Hon. Mr. Leonard: Thursday next.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 107 to 140, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILL

BRITISH AND FOREIGN BIBLE SOCIETY—REFUND OF FEES

Hon. William R. Brunt, with leave of the Senate, moved:

That the parliamentary fees paid upon the Bill S-8, intituled: "An Act respecting The British and Foreign Bible Society in Canada" be refunded to Messrs. Birks, Langdon & Co., Toronto, Ontario, solicitors for petitioners less printing and translation costs.

Motion agreed to.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck presented the following bills:

Bill SD-58, for the relief of Marie Simone Louisette Bellemare Lafond.

Bill SD-59, for the relief of Elisabeth Lebherz Denig.

Bill SD-60, for the relief of James William Neilan.

Bill SD-61, for the relief of Donna Lois Marchand Silverman. (Annulment.)

Bill SD-62, for the relief of Leo Proulx.

Bill SD-63, for the relief of June Laura Welby Leger.

Bill SD-64, for the relief of Dorothy May Kenny Mulcair.

Bill SD-65, for the relief of Margaret Kathleen Graham Lane.

Bill SD-66, for the relief of Hubert Shirley Quartz.

Bill SD-67, for the relief of Claudine Fernande Yvette Thibaudeau Tarride.

Bill SD-68, for the relief of Mary Pirie Wood Hunnisett.

Bill SD-69, for the relief of Marine Tony Jakovich.

Bill SD-70, for the relief of George Henderson.

Bills read first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

DEPARTMENT OF NATIONAL DEFENCE

EXPENDITURES IN ATLANTIC PROVINCES

Hon. Wishart McL. Robertson inquired of the Government, pursuant to notice:

(1) What is the approximate average annual level of expenditures in recent years of the Department of National Defence for civil salaries, pay and allowances for Service and Reserve personnel, travel and transportation, Service and Civilian construction, supplies, and miscellaneous expenditures for the provinces of

(a) Nova Scotia,
(b) New Brunswick,
(c) Prince Edward Island,
(d) Newfoundland.

(2) What presently are the numbers of Service and Civilian personnel of the Department of National Defence for each of the above provinces?

Hon. W. M. Aseltine: Honourable senators, I have received the following answer to this inquiry:

1.

Average annual expenditures—Based on expenditures in 1956-57, 1957-58 and 1958-59

Item	Nova Scotia	New Brunswick	Prince Edward Island	Newfoundland	Total
Civil Salaries and Wages (incl. Corps of Commissionaires)	22,543,164	5,531,831	656,401	2,293,575	31,024,971
Pay and Allowances (Service Personnel)	56,437,848	14,587,308	2,409,865	3,394,240	76,829,261
Travel and Transportation	2,496,168	809,939	137,560	226,144	3,669,811
Suppliers (incl. Construction)	43,409,664	11,124,842	2,206,040	1,656,530	58,397,076
Miscellaneous	9,598,335	2,569,954	897,608	1,115,658	14,181,555
Total	134,485,179	34,623,874	6,307,474	8,686,147	184,102,674

2.

Province	Regular Personnel Service	Personnel Civilian
Nova Scotia	17,195	7,944
New Brunswick	5,886	2,091
Prince Edward Island	886	309
Newfoundland	1,053	796

NORTH ATLANTIC TREATY ORGANIZATION

TWENTY-NATION ECONOMIC COMMITTEE

Hon. Wishart McL. Robertson inquired of the Government, pursuant to notice:

(1) Does the report of the Minister of Finance in the House of Commons on January 18 that a Twenty-Nation Economic Committee was to be set up indicate that the NATO powers have abandoned the idea that the spirit and letter of article 2 of the North Atlantic Treaty should be implemented through the medium of he North Atlantic Treaty Organization?

(2) If so, did the Canadian Government concur in this decision?

(3) If so, what are to be the future activities of the North Atlantic Treaty Organization?

(4) What is the size in rooms of the new NATO building in Paris?

(5) What was the total cost?

(6) What was Canada's share of the cost?

(7) What is the size of the Canadian permanent delegation to NATO?

(8) What is the annual cost?

Hon. W. M. Aseltine: Honourable senators, I have received the following answer to this inquiry:

1. Article 2 of the treaty states that the "parties will contribute towards the further development of peaceful and friendly international relations by strengthening their free institutions, by bringing about a better understanding of the principles upon which these institutions are founded and by promoting conditions of stability and well-being. They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them." A Committee of Three was appointed by NATO in 1956 "to advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community". The committee's report which was approved by the NATO Council in December 1956, concluded that there should be a substantial expansion of exchange of information and views in NATO in the economic as in the political field, and suggested that such economic consultation should seek to secure a common approach on the part of member Governments where the questions are clearly related to the political and security interests of the Alliance. The report went on to state the view that "Action resulting from such a common approach however should normally be taken by Governments either directly or through other international organizations". In another part of this chapter the view was expressed that "NATO is not an appropriate agency for administering programs of assistance for economic development, or even for systematically concerting the relevant policies of member nations". In the light of the recommendations contained in that report there was established a Committee of Economic Advisers subordinate to the Council of NATO where consultation on economic problems of interest to the Alliance have been taking place as and when this seemed desirable. It seems clear, therefore, that the decisions taken at the Paris meeting imply no change in the existing pattern of consultation developed in NATO. Consideration is now being given to the possibility of replacing the existing Organization for European Economic Co-operation, in which we participate as an associate member, by a new consultative organization with new tasks, and objectives appropriate to the situation in the 1960's, in which Canada and the United States might participate as full members. Whatever may be the outcome of the studies which are being undertaken by the twenty nations, which includes all NATO members, the practice of close consultation in NATO on economic matters affecting the strength and well-being of the alliance is expected to continue.

2. Answered by 1 above.

3. Answered by 1 above.

4. (a) Total area of office building, 545,800 sq. ft.; Ancillary services and garage, 247,600 sq. ft.: Grand Total, 793,400 sq. ft.

(b) Total office space, 157,760 sq. ft.

(c) Standard size office units, 10' x 16'.

(d) Total number of office units, 986.

5. Total cost, app. $10,750,000.00.

6. Canadian share, 6.08% or $653,489.00.

7. Size of Delegation of Canada to the North Atlantic Council and to the Organization for European Economic Co-operation, 30, including Canadian and local staff.

8. Annual cost, 1958-1959—External Affairs—Operational expenditures, $300,240.00; Capital expenditures, $9,166.00; National Defence, $50,000.00; Defence Production, $30,422.00; Finance, $29,548.00.

UNEMPLOYMENT INSURANCE

REQUEST FOR FURTHER ANSWER TO INQUIRY

Hon. Donald Smith: Honourable senators, while we are on the subject of inquiries, may I bring a matter to the attention of the Leader of the Government (Hon. Mr. Aseltine)? I refer to the answers given on February 4, our last sitting day, to questions of which I had given notice at an earlier date. I would point out that some of those questions were in fact not answered.

My question No. 3 read:

Does classification as a "year-round" fishing vessel depend on meeting any specific standards of size? If so, what are these standards?

The answer given to that question was simply that the Unemployment Insurance Commission takes into consideration the size of the vessel. What I would like to know is what are the standards of size which might have to be met.

Question No. 5, which was not adequately answered, read:

Are fishermen, who are otherwise qualified, entitled to benefits for any week during which their actual net share received from their "employer" amounts to less than $9? If not, why not?

The answer I received referred to the earnings of the fishermen; and I think the word "earnings" was used in the context of the definition in the regulations and means the share of the gross catch after a deduction of 25 per cent. My question was with respect to the actual take-home pay of the fisherman. The question is based on some inquiries I have had from long-liner fishermen who have said their craft have been denied qualification as year-round fishing vessels because of size, and for what other reasons I do not know. A further complaint which they have brought to my attention was that they can go out on a deep-sea fishing vessel, have some bad luck with trawl, and when they come back they have nothing to share among the fishermen. Therefore, they feel the crew, under those circumstances, should be entitled to unemployment insurance for that week, if they can otherwise qualify for it.

Perhaps my honourable friend the Leader of the Government would make some further inquiry for me?

STANDING COMMITTEES

PROPOSED REFERENCES

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, before the Orders of the Day are

proceeded with may I direct a question to the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine)? I have not given him notice of the question, so I would not expect an immediate answer. I wonder if it is possible for some procedure to be evolved by which the estimates which were tabled on February 4 can form the basis of a discussion in this house as to the general financial position. Unless some specific action is taken honourable senators will have no opportunity of discussing this matter until, in due course, the Supply Bill based on the estimates comes to us, and that generally happens on the last day of the session. Perhaps the honourable Leader of the Government would give this some thought, and maybe consult with the honourable Leader of the Opposition (Hon. Mr. Macdonald), with a view to finding some method whereby the estimates in whole or in part will be referred to the Standing Committee on Finance, or some other method which would give the many honourable senators who are interested in the estimates an opportunity of discussing them.

I would also request the good offices of the honourable Leader of the Government for the purpose of having two committees of which I am a member, and in which I am particularly interested, in some way or other undertake activities in respect to the matters pertaining to them. One of the committees I am referring to is the Standing Committee on External Relations, and I happen to know that its chairman (Hon. Mr. Thorvaldson) has something in mind himself, which he mentioned to me some days ago. I am also greatly interested in the subject of trade relations, and it may be that the honourable chairman of the Standing Committee on Canadian Trade Relations (Hon. Mr. McLean) also has something in mind for consideration. I think some opportunity should be given to members of these committees to meet and discuss matters in which they are interested. Time goes by quickly, and it seems to me that we should arrange to have these committees called together soon, in order that those of us who are not directly connected with more active committees might pursue certain matters that concern us. I would appreciate the honourable leader's efforts in this direction.

Hon. Mr. Aseltine: I will take the honourable senator's remarks under advisement.

WINDSOR HARBOUR COMMISSIONERS BILL

THIRD READING

Hon. William R. Brunt moved the third reading of Bill S-4, to amend the Windsor Harbour Commissioners Act.

Hon. David A. Croll: Honourable senators, before this bill is read the third time I have a few observations to make. Before I do that I would like to thank the honourable Leader of the Government (Hon. Mr. Aseltine) for making the verbatim report of the proceedings of the Standing Committee on Transport and Communications of February 4 available. I am not a member of that committee, and this report made it possible for me to acquaint myself with some harbour commission problems which I was not aware of. I hope that procedure will be adopted more often so that important matters will be made known to those of us who are not members of certain committees or cannot attend every committee meeting.

As I understand the present situation in this country the National Harbours Board looks after ports in the larger cities and what are called "ports of national significance". From that definition the city of Toronto and the city of New Westminster are exempted. They are well financed.

Hon. Mr. Roebuck: Are they not of national importance?

Hon. Mr. Croll: They are exempted for particular reasons, because they did their own financing. Then, there are various small harbours under the Department of Transport, and they have harbour masters who manage the traffic. There are approximately 300 public harbours and about 2,000 public wharves. The honourable senator from Gulf (Hon. Mr. Power) put it very well when he said that the difference is that a public harbour has a harbour master and the other has a wharf master. That is about the only difference between them, and as far as I am concerned I am prepared to accept that definition.

The St. Lawrence Seaway has changed the character and concept of cities and towns on the Great Lakes. I am going to quote from the record of the proceedings of the Standing Committee on Transport and Communications of Thursday, February 4. The honourable senator from Halifax North (Hon. Mr. Connolly) was the Acting Chairman. I will start at page 11, where there is a question by the Acting Chairman:

> With the increasing importance of the St. Lawrence Seaway and the consequent increase in importance of ports along that Seaway, is it contemplated that eventually these ports will come under the administration of the National Harbours Board?

Mr. Stead, Assistant Deputy Minister, Marine, replied:

> I am not aware of any present thinking along these lines, Mr. Chairman. These harbour commissions are usually set up on an appeal from the local city council, boards of trade, and that sort of thing. We welcome this initiative but there is really quite a marked difference, with the exception of Toronto and New Westminster,

between the level and size of the Harbour Board ports and these others. I would not like to say what will happen in future times with respect to these various ports.

The report continues:

The Acting Chairman: I think earlier in your remarks you referred to the Gibb Report. As I recall it that report proposed that local councils should be set up at all these ports which come under the jurisdiction of the National Harbours Board. Are there in fact such local councils set up in the ports of, say, Montreal, Halifax, Quebec City, and Vancouver?

Mr. Stead: I do not think so. That is a matter for the National Harbours Board management and I do not feel competent to speak for them. There is a Harbours Board with a head office in Ottawa that manages them, but whether they have any consultations at the local level I am not sure.

Then Senator Connolly from Ottawa West stepped in with a question:

I do not want to be monopolizing the time of the committee but I think what was in the minds of many honourable senators who were interested in this bill and spoke about it in the house the other day, and they did so out of order for the most part, is this: with the development of the Seaway many of these ports that were formerly inland ports may now in effect become ports for the call of foreign ships, and so perhaps in respect of some of those ports they are going to have just as much business as ports on the coasts.

Now, is it going to be necessary to have some standard form of administration to prevent the kind of competition that had developed when the Gibb inquiry was made? Is there likely to be trouble develop in the Seaway because of competition from these various individual ports, one fighting with the other to get traffic? I take the example only of Hamilton and Toronto. Can that kind of thing develop to the disadvantage of trade in the Seaway?

Mr. Stead replied:

I suppose that is possible. Under the bills we have before us, and similar ones, there is power in the Government to question and, in effect, not to pass schedules of rates if they get into a price war, for example. Our principal interest is not to stifle competition between ports but rather to ensure that the revenues that they would get from the schedule of rates they propose are adequate to their responsibilities.

Hon. Mr. Isnor: That applies only to ports coming under the authority of the National Harbours Board.

Hon. Mr. Brunt: No.

Hon. Mr. Croll: I am just reading from the record. Senator Connolly of Ottawa West went on:

There are eight ports, and of these eight I suppose Halifax, Saint John, Chicoutimi, Three Rivers, Quebec, Toronto are all in one respect or another either in the Seaway or in competition with ports in the Seaway. Then within the Seaway system itself, we have Toronto, Hamilton, Belleville, Windsor and the Lakehead and they are operated in a different way. And then we have also places like Sorel, Kingston, Port Colborne, Whitby, Port Credit, Seven Islands, Rimouski, Baie Comeau, Ste. Anne des Monts, Gaspe and other ports that are administered in a different way. In view of this, is the traffic that uses the Seaway going to run into difficulty and is this the best kind of arrangement to have—different authorities at different places?

To this Mr. Stead replied:

Perhaps I can say in reply, Mr. Chairman, that all the harbours administered directly by the Department of Transport operate under one standard set of rules, rates and so forth. As regards the others I think we must balance the advantages of having, let us say, standard rates, standard charges, against the value of having local initiative involved in these things. There is some advantage in setting up a local management that will go out after business and endeavour to play their part in developing the country generally. We have a competitive system in this country and this is one aspect of it, and we are only too happy when initiative is shown and people are willing to give their time and energy to developing their port, and if we enforce a standard set of rules on all of them the local initiative would be stifled, and one has to balance these two desiderata.

Various aspects of the legislation are dealt with in the continuing discussion, and finally at page 27, which is the next to the last page, the Acting Chairman, Senator Connolly of Halifax North, got in another word:

Getting back to the question I asked originally, and apropos of what Senator Power just said, we have the National Harbours Board administering one group of ports, and the Harbour Commission another group. What is the conflict between those two great agencies?

This question was answered by Mr. W. J. Manning, Director, Marine Works, Marine Services, who said:

They both answer to the Minister of Transport.

The Acting Chairman pointed out that the National Harbours Board is a separate organization, and the record continues:

Mr. Stead: In fact, we have a satisfactory working liaison with the National Harbours Board. I am not aware of any cases of direct conflict. I am not quite sure what you have in mind, what sort of conflict?

The Acting Chairman: You cannot predict when any of this group of ports, which your department administers, will become part of the National Harbours Board's setup, if ever.

Mr. Stead: I think this would depend on future development.

The Acting Chairman: Is it possible that one day the National Harbours Board will administer all ports in Canada?

Mr. Stead: I think in many cases there would be local objection. The tendency is for the local community to want to have a voice in governing their own affairs.

The Acting Chairman: But there were local objections before in other areas, which were overriden by Canadian authority.

Senator Power: If I may speak in support of that statement, one of the reasons for the creation of the National Harburs Board was to do away with pressure from the local harbour commissions wherein there was local representation.

The Acting Chairman: That is right.

Senator Power: One of the reasons for creating this is that they desire to have local representation, just the opposite. I would not attempt to give any judgment on the wisdom of this.

Mr. Stead: We are never free from pressure.

Honourable senators, I have read enough from the report of the committee's proceedings to indicate what was the tenor and the thought. I started out by saying that

the St. Lawrence Seaway had changed the character and concept of cities and towns along the Great Lakes. Then I read that part of the report which I thought was pertinent and which indicates beyond a doubt that up to the present time there has been no change in the approach to these various ports. There has been no thinking, no policy and no action—nothing at all has been done. Obviously the smaller cities and towns along the St. Lawrence waterway are reaping the fruits of neglect. I speak to the Windsor Bill but my comments are applicable to the other harbour commissioners bills.

Here is what happens. Some port facilities are wanted in some of these smaller communities and people go out and attempt to drum up business. The businessmen say, "All right; when you get your port ready you come around and we will do some business with you". Then they go back to the municipality or to the people who are concerned and say: "We have got to build a port here. We need some money. Money is expensive. Money is tight. We have to have some financing." They are told, "Well, if you get your business we will see what we can do in the way of financing in order to make facilities available."

So, there are these people who have these harbour ideas in mind, people who have the water flowing past their door and who have the opportunity to capitalize on this natural gift and who can use the business, but who are caught in this dilemma almost to the point where the question is: which comes first, the chicken or the egg? On the one hand, they have no facilities because they have not the money; and on the other hand, because they have not the business, because the facilities are not there. The result is that only the larger cities have these port facilities. Last year the city of Toronto had a rise of 28 per cent in shipping. Montreal had 20 per cent increase in shipping facilities. Halifax had a record year. It is said that they have the best facilities—

Hon. Mr. Isnor: Hear, hear.

Hon. Mr. Croll: It has the best longshoremen, and has diverted a good deal of trade from New York. The Honourable Senator Isnor has been speaking for Halifax in the Senate council, and that helps, too. As a matter of fact, Cornwall, Prescott and Kingston have all suffered as a result of the St. Lawrence Seaway.

Hon. Mr. Brunt: Can the honourable senator give us the increase for Halifax?

Hon. Mr. Croll: My memorandum says it had a record year, which means the best year it has ever had.

Hon. Mr. Brunt: I wonder if the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) is satisfied.

Hon. Mr. Isnor: I think the increase was about 11 per cent last year. Of course, I am never satisfied; I always hope that we can do better.

Hon. Mr. Brunt: I admire your frankness.

Hon. Mr. Croll: When we speak of Toronto and Montreal, we speak of $50 million installations. Hamilton is spending $5 million this year. The larger cities are spending like mad in order to promote the very best harbour facilities. The little places could also provide good harbour facilities, but they just have not got enough money to get into this business, and that is unfortunate. The result is that these larger communities are becoming richer and the smaller communities are staying poor. What these smaller communities need is the know-how, and they can only get it from the National Harbours Board. They have the administrative capacity. They need credit, and they need their potentialities assessed, and also need capital investment.

I notice that the member for Hamilton, speaking in the House of Commons on February 2 last, said that his city had been very fortunate in what it had received for port facilities grants and assistance in dredging and in recent loans. I am not envious at all of Hamilton for getting these things—I don't see why it shouldn't—but I find there are a very large number of smaller ports along the way that could use free grants, dredging facilities and credit for the purpose of building the ports up.

Let me give an example, one that I think will be appreciated. Here is the city of Windsor. Flowing past it is the Detroit River, one of the great and beautiful rivers in the world, with more traffic passing its front door than passes through the Suez and the Panama canals combined. That city seems to suffer from chronic unemployment. I noticed this morning, on the financial page of the Montreal *Gazette*, as I have no doubt others did, that the Ford Motor Company had a record year in 1958—more cars, more production, more profit—but still there are 10,000 unemployed in that city. There is a city that could use a port and provide some facilities. It could provide considerable employment and business. On the other side of the river, in Detroit, boats were lined up last year awaiting their turn, yet there were no facilities on the Windsor side at all.

Hon. Mr. Brunt: Is there not a port at Windsor?

Hon. Mr. Croll: There are some private facilities. They are trying to establish a good port. What they need is dredging and harbour facilities, and they also need capital investment. It is all a question of how quick a boat can turn around. They want to know how good the facilities are. Even if a port is small it has got to be good. But nothing is being done, as indicated by the Assistant Deputy Minister, Marine, and the result is that each day they are falling behind the time table for the needs of the Seaway. The city of Toronto, a great port, has a representative in the city of New York. Some of you may know him—Louis W. Byrne, who opened an office for the purpose of drumming up business. He is a shipping authority. Toronto can afford to do these things, and as a matter of fact it does. I have said that Detroit's facilities are jammed, and it is building as quickly as it can to make adequate provision to meet tomorrow's needs.

On the other hand, we are doing nothing in Canada, just absolutely nothing, to help these people benefit from one of the great, imaginative undertakings in this country. The St. Lawrence waterway was not built for Montreal or Toronto or Hamilton, but for all of us, and it was built in order that others may benefit if they provide the facilities. There is no reason why facilities should not be made available for these other smaller places. I do not suggest heavy expense, but they need money, they need credit, they need facilities, and they cannot get them. The municipalities cannot afford it, money is too hard to get, it is too expensive, and their credit is already extended. Unless they can provide facilities immediately we are going to find the show will be over before they can get into it. In some of these cities, such as Windsor and Oshawa, business is good, yet they have a lot of unemployment. Unfortunately the very nature of the automobile industry lends itself to fluctuations in employment. Both the workers and the employers are trying to avoid that. The companies do not like it any more than the workers do, but they say it is not possible to avoid it, because of the habits we have created for ourselves in seasonally buying motor cars. Good ports in those places could mean a stable income for them and could mean year-round employment. That is the kind of investment that we could afford to make in these municipalities where capital investment is needed.

We talk about unemployment in this country today, but unemployment is centred in places like Windsor, Quebec City, some parts of Cape Breton, and in other areas. If we can create capital investment and help industry in those communities we shall be doing something useful. As a matter of fact, capital investment in such communities should receive our attention. When we have an opportunity such as this I do not think we ought to miss it. The time for action is now.

Hon. T. A. Crerar: Honourable senators, I do not propose to discuss the claims of Windsor, but the other evening when this bill was up for third reading, I asked a question that had to do with the matter of costs to the federal treasury. I have read the report of the committee's proceedings and note that that point was not touched upon in the discussion. I must confess that my knowledge of this business of creating harbour boards by special acts of Parliament is rather sketchy, and in the case of Oshawa and Nanaimo, particularly, I am desirous of knowing whether or not the creation of a harbour commission will impose any additional burden upon the treasury. If it will we should have pretty clearly before us the compelling reasons that make the legislation necessary.

Hon. Mr. Brunt: Do honourable senators wish me to answer that question now, or does someone else wish to speak on the bill? I understand if I speak now I will close the debate.

The Hon. the Speaker: If the honourable senator merely answers the question, that will not have the effect of closing the debate.

Hon. Mr. Brunt: Honourable senators, I referred the inquiry made by the honourable senator from Churchill (Hon. Mr. Crerar) to the Department of Transport and I have received from it a written answer, which I propose to read, so that it can be placed on *Hansard*. It is as follows:

First of all, it would be difficult to determine whether any increase in expenditure that might have been observed after a commission was formed was attributable to the formation of the commission as such or to other factors such as the growth of the port. It might also be that any such increases in expenditure should have occurred, anyway, as a result of past growth of the port had the means (that is, the kind of local administration normally provided by commissions) been available.

Harbour commissions are usually sponsored by serious-minded local groups such as Boards of Trade, and the department feels that this sponsorship should be taken seriously. We feel that with this sponsorship there is some likelihood that interested local business men will support the work of the harbour commission when formed and give it meaning and vigour. This does not mean that the department accepts all such petitions from boards of trade and the like, and rejections have occurred when there is not a significant harbour interest for such a commission to administer. The tests here may include the amount of revenue being received from Government facilities existing or likely to exist in the port being inadequate to cover the costs of having a local commission; also, the amount of property available for development on the waterfront can be a factor.

Even if the costs of administering a port by a small local commission are higher than they would be under departmental management, this is unlikely to have much effect on users of the port as harbour charges must be competitive. Moreover, the department believes that there is an offsetting advantage by way of the local interest and initiative that is more likely to be forthcoming with local management than with centralized management operating from Ottawa.

Hon. Mr. Crerar: Well, honourable senators, that is a reply that will require some thought. I notice my honourable friend is smiling. If he could explain what that reply means I would be very grateful to him.

Hon. Mr. Pearson: You will have to take legal training.

Hon. Mr. Crerar: It is about as clear as mud.

Hon. Mr. Power: It will have to be dug up and dredged at Government expense.

Hon. Mr. Crerar: My question was a very simple one. Surely when we pass legislation setting up a harbour board in a city like Oshawa we should have some knowledge of what the proceeding may involve for the treasury.

I am well aware of the fact that in many small places—I am not including Oshawa in this description—in many places where harbour boards are set up the expectation is that the expense of a few harbour commissioners and probably an office and a stenographer will be met from local revenues that accrue to the board, but if the local revenues are not sufficient to cover the expenses of the newly-created board, does it then fall back upon the federal treasury? I submit that in setting up a harbour board, even in a city like Oshawa, we surely should have some idea of what it may ultimately cost the treasury. I do not like these open-end commitments which leave the matter for determination wholly in the future, because under these circumstances the temptation is always strong upon communities which think they require a harbour to set in process the machinery to get one.

Honourable senators, I must say that I think the answer which the honourable senator has supplied the house, and which he tells us has come from the Department of Transport, is wholly inadequate.

Hon. Mr. Brunt: I may say to the honourable senator that I will inquire from the Department of Transport just how much, if any, money has been paid out by the department over say the past 10 years to each harbour commission to cover deficits.

When the matter was before the Standing Committee on Transport and Communications, one of the experts was asked if the Government ever had to guarantee bonds for one of these local commissions, and the answer was no. Personally, I doubt very much if any great sum has been paid out, but I will obtain the information and give it to the honourable senator.

Hon. Mr. Crerar: Just on the matter of guaranteeing bonds, my memory may be at fault but I think in some instances in the past harbour boards have issued bonds which have been taken up by the Government. They then became an obligation of the Government. Will my honourable friend inquire into that also when seeking the information he just mentioned a moment ago?

Hon. Mr. Reid: Honourable senators, in so far as the port of New Westminster is concerned I may say that the Government did build an elevator many years ago and bonds were issued to cover the cost of it. I might say also that the New Westminster port authorities have always paid the interest up to date.

Hon. Mr. Wall: Apropos of the inquiry by the honourable senator from Churchill (Hon. Mr. Crerar), and to the suggestion that the honourable senator from Hanover (Hon. Mr. Brunt) check with the Department of Transport, it could well be that some of these expenditures would be found in some other department, such as the Department of Public Works.

Hon. Mr. Brunt: I do not undertake to check all Government departments.

Hon. Mr. Macdonald: No doubt there are other expenditures in connection with harbours which come under the Department of Public Works. For instance, all the dredging in connection with this harbour will be paid by that department. Everything done in connection with harbours operated by commissions is a charge on the treasury, with the exception only of works on the land. If it is necessary to put up another lighthouse, or to add more signals or buoys of any kinds, such expense is not borne by the commission, but by the Government, through the Department of Public Works.

Hon. Mr. Brunt: That is true whether the harbour is under a local commission or the National Harbours Board.

Hon. Mr. Macdonald: That is so. But when a commission is set up the harbour is enlarged, and there is no doubt in the case of Oshawa, and other places where harbours are being established, that the cost of maintenance after a commission has been set up will be more than at the present time.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Brunt, seconded by the Honourable Senator

Emerson, that this bill be now read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Crerar: Subject to the getting of the information requested.

Hon. Mr. Brunt: I will get it, if it is available.

Motion agreed to and bill read third time and passed.

OSHAWA HARBOUR COMMISSIONERS BILL

THIRD READING

Hon. William R. Brunt moved the third reading of Bill S-5, to incorporate the Oshawa Harbour Commissioners.

Hon. John J. Connolly (Ottawa West): Honourable senators, before this bill passes I would like to say a few words about the work of the committee. In the first place, I think we are indebted to the sponsor (Hon. Mr. Brunt) for the kind of witnesses he produced before the committee on the consideration of this and the two similar bills we have before us. The witnesses who appeared know the business conducted in these ports, and the kind of administration that has gone on.

If I have a criticism to make about the material that has come to us in connection with the seaway, it is that the question that has not been answered deals with the overall policy in respect of the administration of these ports in the Seaway system. As the honourable senator from Toronto-Spadina (Hon. Mr. Croll) indicated by quotations he read from the record of the committee proceedings, there are in the seaway system three different authorities operating. First, we have the National Harbours Board administering ports like Montreal, Three Rivers, Quebec and Chicoutimi. Next, we have public harbours being administered under the authority of the Department of Transport. And finally, we have the individually incorporated, so to speak, harbour commissions, which operate ports at such places as Belleville, Toronto, Hamilton, Windsor, the Lakehead, and now one at Oshawa.

The committee referred a number of times to a report made before 1936 by Sir Alexander Gibb, which is now referred to as the Gibb Report. That report resulted in the establishment in 1936 of the National Harbours Board to take over seven national ports. The reasons given for the recommendations made in the Gibb Report, as stated in the House of Commons when the National Harbours Board bill came before Parliament for consideration, were many and varied. It found that local pressures were making administration in one port different from that in another, when these great national harbours were under the administration of local harbour commissioners. It found that in some cases excessive building was going on. It found that the accounting procedures were not the same in all ports, and that there was cut-throat competition in respect of rates. It said the country must face the difficulty of changing local administration, once it has been established.

Honourable senators, I now say, and I agree with the honourable senator from Toronto Spadina, that the concept of the seaway for the eastern end of this country is a very great concept. It is one that has involved bold imagination and great planning; and I think in the administration of the seaway the same kind of imagination and planning should be applied to the development of facilities within that great system. I think there should be the very best of administration in all of the port facilities, and this will probably result in a reduction in cost of the facilities to be operated there. Further, I think it will make for orderly progress if an overall policy for the development of these ports is undertaken.

Hon. Mr. Isnor: Honourable senators, may I ask the honourable senator a question? Does he advocate that all the ports on the St. Lawrence should come under the control of the National Harbours Board?

Hon. Mr. Connolly (Ottawa West): Certainly I as an individual senator am not in a position to say that all these ports should be under the National Harbours Board. But I do think that when facilities have to be developed in the seaway system they should be developed in accordance with a policy that will apply to the entire system, so that there will be no duplication of services or excessive spending. In that way I think the great advantages which can flow from the system will be available for all people who are affected by the installation of the seaway system.

The one impression that I got from listening to the discussion in committee last week was, whether you make it a policy or whether the Government decides to announce a policy, I think it is necessary to point out the need for an overall policy, as a result of the information we received.

Motion agreed to and bill read third time and passed.

NANAIMO HARBOUR COMMISSIONERS BILL

THIRD READING

Hon. William R. Brunt moved the third reading of Bill S-10, to incorporate the Nanaimo Harbour Commissioners.

Hon. Gordon B. Isnor: Honourable senators, other speakers have been given some leeway with respect to the subject under discussion, and I would like to make a few brief remarks following along the line of thought expressed by the honourable senator from Ottawa West (Hon. Mr. Connolly).

Hundreds of millions of dollars have been spent in creating these ports along the St. Lawrence Seaway, and I think they should be subject to the same rules and regulations as are the other ports governed by the National Harbours Board. I have in mind particularly the matter of rates. Some of the ports mentioned are close to the central manufacturing sections of Canada, the population of which represents 40 or 42 per cent of the total population of this country. All the industrial life is there, and it is only right that those ports should be used in every possible way. It is only natural and human, I suppose, for the manufacturers to use them whenever it is possible to do so. But, in view of those facts, I think there has been a certain amount of discrimination. I hesitate to use that word "discrimination", but the fact remains that the ports on the east coast are at a disadvantage so far as shipping manufactured articles is concerned, because of the closeness of those recently created ports on the St. Lawrence to the manufacturing centres. Those ports have been established as a result of a very large expenditure of money by the people of Canada. I have nothing in mind to suggest at the moment, but serious consideration should be given to providing some means whereby the eastern ports can be allowed a shipping rate which will compensate them for the advantage that the central Canadian ports enjoy, which advantage was made possible by this large expenditure I have mentioned.

I am drawing this to the attention of the honourable Leader of the Government in the hope that it might bring forth fruit—that some special consideration will be given to those two large ports in the east, namely, the port of Halifax and the port of Saint John.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-14, for the relief of Enid Grace Pascoe Dawson.

Bill SD-15, for the relief of George Barrington Redfearn.

Bill SD-16, for the relief of Shirley Veronica Hannah Groves.

Bill SD-17, for the relief of Leonia Szafarz Falk.

Bill SD-18, for the relief of Audrey Louise Bryan Sevigny.

Bill SD-19, for the relief of Janet McMillan Sim Sinclair Kerr.

Bill SD-20, for the relief of Jacqueline Joly Mazurette.

Bill SD-21, for the relief of Shirley Evelyn Ellis Bertram.

Bill SD-22, for the relief of Sally Emden Rohr.

Bill SD-23, for the relief of Barbara Steinberg Shapiro.

Bill SD-24, for the relief of Olga May Hospadaruk Edwards.

Bill SD-25, for the relief of Georgette Rosenberg Korman.

Bill SD-26, for the relief of Julianna Catharina Mehilercsik Jutras.

Bill SD-27, for the relief of Helen Kurtzman Bernard.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 4, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

Hon. F. W. Gershaw: Honourable senators, may I, first of all congratulate the mover and seconder of this motion upon their eloquence. I would also like, in a humble way, to extend my sincere welcome to the three new senators who are taking their places here for the first time.

I wish briefly to discuss Canada's health and welfare program. I do not seek to direct any excessive attention to this program, but I hope to point out some ways in which it may more adequately serve the needs of the people of Canada. Most of us here will recall the days when sheer poverty and dire distress were at the mercy of charity of a municipal stature. Early in the century it was clear that the municipalities were unable, in some cases even unwilling, to provide properly for the welfare and needs of the people. The imposition of high income tax has dried up charity in this particular respect, and that is very unfortunate. All down through the ages charity has been

considered one of the cardinal virtues. People who can should help those who are in need. That is good for both parties. To apply a quotation from the classics:

It blesseth him that gives, and him that takes:
'Tis mightiest in the mightiest: it becomes
The throned monarch better than his crown.

When one reads the British North America Act one wonders how the Government could get into a welfare program. It happened in this way. Just before the First World War, as a result of repeated crop failures many of the farmers in the west were in desperate straits. The federal and provincial Governments provided them with food, seed grain and fodder for their stock, in return for mortgages. Now, as I understand it, a mortgage given under such conditions means the death grip; certainly it has meant the death grip for many of those farmers. It was hard to get money on the farm. The average income was supposed to be about $1,200, and many farmers had much less than that. Many who were never able to repay the advances found that when they moved away they could not sell their property because of the mortgages against them and the interest that had accumulated. This turned out to be very unfortunate.

Just recently another calamity has been visited upon the farmers in the northern part of the western provinces. If the grain that lies underneath the ice and snow at the present time is destroyed I do hope that the federal Government will be lenient in collecting on those advances.

The federal and provincial Governments definitely got into the welfare business in 1927. It was then that they established the system of old age pensions. Then came the thirties, with the depression, accompanied by despair and all the ruinous conditions of that time. Dust storms and drought reduced production to little or nothing, and what was produced would not bring a fair price. Wheat sold at 26 cents a bushel, beef at 1½ cents per pound on the hoof, eggs at 10 cents a dozen, and so on.

Once again relief was needed and the federal Parliament, in order to rehabilitate these drought areas, passed the Prairie Farm Rehabilitation Act. Under that act some 51,691 dugouts, stock-watering reservoirs and small irrigation schemes, were constructed. The dominion provided the services of the civil engineers and the surveyors, and paid about half the cost of moving every cubic yard of earth that was moved. Then it was found, of course, that large irrigation schemes were needed. It was relatively easy to harness the water and streams running down the east slope of the Rockies. The dominion Government donated the cost of putting in these large reservoirs and the main connecting canals. It spent about $67½ million on this work and about 1¼ million acres or more of land were irrigated. So, relief was given to those living close to the irrigated land; but there were others on dry land, and to assist them the Prairie Farm Assistance Act was passed. Under this act, if the yield was less than four bushels per acre the farmer could get $2.50 per acre up to 200 acres. If the yield was four to eight bushels per acre he could get $1.50 up to 200 acres. In that way relief was given to these people.

In 1943 the Beveridge Report was published. Lord Beveridge came here and in the Railway Committee Rooms of the other house he explained his system for more equal distribution of the wealth of Canada. Then the Marsh Report on Social Security in Canada was published. These two reports were followed by the Hagerty Report on health insurance.

Faced with these things the Government of the day committed itself to social security in a rather big way. The amount of old age pensions was increased. Family allowances were instituted. Generous donations were given to assist in the building of hospitals all over the country, and special grants were made for the fight against tuberculosis, polio and diseases of that kind. More important than all, right at that time the Government set up the Department of National Health and Welfare, a department which has turned out to be very efficient in looking after nutrition, pure food, drug adulteration, drug addiction and things of that kind.

Since then the Old Age Assistance Act has been passed for those who qualify under the means test. Legislation has been enacted providing pensions for people between 65 and 70, widows, blind persons, and disabled persons. The provinces have continued their plan of mothers' allowances, and of course soldiers still get pensions through the Department of Veterans Affairs.

The question arises: have we a welfare state in Canada? The best definition of a welfare state that I could find was, a country in which the Government had assumed responsibility for the economic and social happiness of the people. We have gone a long way along that trail. Probably we are not able to go farther at present but at least it is time we reviewed the whole system to see if it is working out in the best interests of all.

We all realize that what makes life dreary and dull is lack of motive, and nothing is so destructive of human morale as idleness. As has been mentioned tonight, thousands of people find themselves unemployed during some seasons of the year. I do not believe that any Government can completely cure this

condition. It is industry which provides employment in a big way. Many people who are unfortunate enough to be out of work draw unemployment insurance. Some of them get seasonal employment by doing inside repair jobs that have been reserved for the winter months. Employees should save up for the rainy day which comes when they find themselves unemployed.

I suggest there should be less discrimination against men over 45 years of age when seeking employment. In New York state there is a law which forbids such discrimination, and it works out fairly well. There is less absenteeism and less labour turnover among men over 45; they show more judgment and loyalty, and employers are able to adjust pension plans pretty well.

Honourable senators, there are a great many men and women in this country who have passed beyond the working years who need some thought and attention. Many of them like to live in their own homes. We have lots of welfare workers. In England welfare workers visit older people in their homes and look after their cleanliness, their clothing, their health, and even cook meals for them once or twice a week. All that is very much appreciated. Homes for the aged should be built in local areas so that friends and relatives of the aged can visit them, and make their lives a little brighter and happier. Alberta has a pretty good scheme; it is building homes for the elderly people, one or two homes in every constituency in the province, because there will be more aged people as times go on. Aging is a wearing out of the tissues, with difficulty in restoration. There comes a time in the lives of all of us when nature no longer rebuilds and replaces the fibres and tissues that are worn out. It is a continuous process. Some of us try to think that it is not noticeable, but it is usually a noticeable process, and it is as relentless as the passing of time itself. There is no escape. There is no elixir of life, no medicine to prevent aging, and no remedy which will rejuvenate. We are therefore faced with this problem, and will be faced with it more and more as time goes on; we must prepare for it and make the best of it. The way to live a long time is to live a lot while you are living. There is much to be said for moderately active existence, because it adds years to life and adds, life and interest to the years. Of course, by making use of the knowledge we have, sickness and accident can be and is prevented in a great many cases. In the time of the Roman Empire the expectation of life was about 23 years. Then gradually on into the nineteenth century it extended slowly. In 1900 it was 47 years. In 1930 it jumped to 60 years, and now it is about 68 years for men and 72 years for women.

The point I wish to stress is this: The expectation of life for men and women over 45 has not correspondingly increased. We still have the degenerative diseases with us. Let us look at the list of the causes of death in a year: Heart disease, 33 per cent; cancer, 16 per cent; vascular lesions, 11 per cent. These are the captains of the men of death, and it is to these that attention and thought should be given. For instance, it is pretty clearly proved that excessive smoking of cigarettes and inhalation of exhaust fumes account for the increase in cancer of the lung in recent years. Yet how many people are convinced of that, and how many pay attention to it? Again, experiments seem to prove that eating excessively of animal fats increases cholestrol in the blood and leads to thickening of the arterial walls. Of course, more experimentation is needed here. We know that the human system is susceptible to 151 different viruses, that these viruses cause the common cold, pneumonia, epidemics of influenza, polio, and perhaps nervous diseases, yet we have very little protection against these viruses because not enough is known about them.

Another point I wish to make is this. Do people realize the tragic effect of worry, fear, anger, anxiety, emotional upsets and excesses of every kind upon the clotting time of the blood and the liability to vascular accidents? In fact, as someone has said, it is the kick of the favourite horse that kills—too much to eat, too much to drink, too much work, too much play. We spend a lot of time and money on saving the life of the condemned murderer, and I am all for it, but if we spent as much time and thought on some of these diseases we could save the lives of a great many people.

My fifth point is that a great deal can be done to prevent death by violent accidents. After every weekend we hear of motor accidents and deaths. In the city of Medicine Hat, with a population of 22,000, with narrow streets, and lots of automobiles, there has not been a fatal motor accident for more than five years. This is not only a Canadian record, it is a North American record. It has been accomplished because the police are alerted, because they have the co-operation of the television and radio authorities, as well as of the newspapers and the people generally.

Honourable senators, I believe that the social welfare system we have in Canada has brought happiness and contentment to many Canadian people. I believe it has caused a steady demand for goods and services which helps out in an economic way, and I believe that when the opportunity is

favourable Canada will go forward rather than backward along these lines. However, I must say that in Canada we do not need any form or system of state medicine. I am quite convinced of that. Sixty per cent of the people are now protected against disaster by prepayment plans for hospital and medical care. Those who cannot join such a plan can always be assured that the hospitals and the medical profession in Canada will see that they do not suffer for lack of attention, and will provide the best attention whether they have the money to pay for it or not.

In closing, I want to say that last summer I attended a medical convention in Edinburgh. At one of the meetings a large theatre was filled by thousands of doctors from all over the commonwealth. All attention was centered on one eminent specialist, who was speaking freely from the knowledge he had gained. The speaker who received all that recognition, and very great applause, was none other than our confrère, the Honourable Senator Sullivan.

Hon. Senators: Hear, hear.

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

PRIVATE BILL

MONTREAL LIFE INSURANCE COMPANY—SECOND READING

Hon. Gustave Monette moved the second reading of Bill S-11, respecting Montreal Life Insurance Company.

He said:

(Translation):

Honourable senators, I have much pleasure in sponsoring this bill. It is not difficult to understand; the principle only requires a brief explanation.

The company, which bears an English name, wishes to secure a legal translation of its name, so that it will be known under both names and may do business throughout the country under either. That is provided in section 1.

Section 2 provides that these new powers dealing with the translation of its name shall not in any way impair its rights or liabilities.

(Text):

I have great pleasure in moving the second reading of this bill, and I feel quite proud in doing so. Toward the end of last session a similar bill was passed by this house, but it was to authorize the reverse procedure. It was a bill in which our honourable colleague from Kennebec (Hon. Mr. Vaillancourt) was interested. The name of the company was L'Assurance-Vie Desjardins, and among other powers the bill asked for authorization to translate the French name of the company into its corresponding English version and to use both names, all for the purpose, presumably, of doing a more extensive business, as this company expects to do.

The desire to use the name of the company in both languages is a sign of the times. It indicates a growing understanding between the two peoples in Canada through the diffusion of the two languages.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Monette: Secondly, there is, not only in the minds of the owners of great enterprises, but in the minds of their clients as well, a feeling that it is a good thing to have sales representatives who can do business in either the French or English language.

I think this bill, like the one I mentioned which passed last year, marks a happy time in our history.

(Translation):

Hon. Mr. Vaillancourt: Do you not think it would be advisable, in the title of the bill, which reads "An Act respecting Montreal Life Insurance Company" to add: "La Compagnie d'Assurance-Vie de Montréal"?

Hon. Mr. Monette: It is a question of procedure with which I am not familar. The bill is introduced on behalf of the company as it exists at present. Its name will be officially translated as soon as the bill has been passed. It seems to me that those who drafted the bill should not be blamed for having introduced it under the only existing name.

(Text):

Hon. John J. Connolly (Ottawa West): Honourable senators, may I ask the sponsor of the bill if he ever looked into this aspect of the matter? When a public statute goes into the Statutes in English the title of the act is stated in that language, and in the French version of the statute the title is translated into French. I take it that this is not the practice in the case of private bills. I wonder if there is any special reason why in the case of a private bill the title is not official in both languages, other than perhaps the fact that in a private bill a company is given a name and that name must be in the language in which the application is made. Does this mean that if a petition comes to this house in French the name of the company must be in French from then on, and if a petition comes in English the name of the company must always be in English?

I do not ask the honourable gentleman for an answer just now, but I think there is a difference between a public and a private bill in this respect, and I wonder why that should be.

Hon. Mr. Monette: Honourable senators, it is gratifying to feel how much enlightenment one can receive by listening to another.

While the honourable senator from Ottawa West (Hon. Mr. Connolly) was putting his question I was thinking of what reply I could make. In the private bill incorporating this company the name given was in the English language, and therefore the legal name of the company is an English name. If this bill passes, the company will then have two official names, one French and the other English. As to the effect of translating into French a name expressed in English, I am sure the honourable senator could give a better explanation than I, in view of his experience and qualifications in these matters.

Hon. Mr. Macdonald: I presume this bill has been printed in both languages. I have before me only the English version, and I would like to know what the company's name is in the French translation.

Hon. Mr. Monette: I have not a copy of the bill in the French language, so I am very sorry not to be able to answer the question of the honourable Leader of the Opposition (Hon. Mr. Macdonald).

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Monette, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce Nos. 80 to 106, which were presented on Thursday, February 4.

On motion of Hon Mr. Roebuck, Chairman of the committee, reports adopted.

BILLS—SECOND READINGS

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

Bill SD-28, for the relief of Barbara Jean Gillies Harris Cooke.

Bill SD-29, for the relief of Evelyn Annie Macleod Vaillancourt.

Bill SD-30, for the relief of Erwin Thomas Steppan.

Bill SD-31, for the relief of Donald Snowdon.

Bill SD-32, for the relief of Mary Nisbet Clements.

Bill SD-33, for the relief of John Thomas Francis White.

Bill SD-34, for the relief of Helen Frances Estelle Kearney Freeman.

Bill SD-35, for the relief of Joseph Alphonse Yves Jean Gabriel Lalonde.

Bill SD-36, for the relief of Omer Therrien.

Bill SD-37, for the relief of Helen Elisabeth Millar Ramshaw.

Bill SD-38, for the relief of Marie Rita Dube Hould.

Bill SD-39, for the relief of Stella Jean Margaret Newman Lamartine.

Bill SD-40, for the relief of Larry Orsa.

Bill SD-41, for the relief of Margaret Estelle Eleanor Evans Lanese.

Bill SD-42, for the relief of Brenda Mary Pardy Thacker.

Bill SD-43, for the relief of Jean Brasgold Martz.

Bill SD-44, for the relief of Lily Schucher Cohen.

Bill SD-45, for the relief of Anna Margaret Laurie Cannon Stevenson.

Bill SD-46, for the relief of Glafira Milczyn Sohn, otherwise known as Vera Milczyn Sohn.

Bill SD-47, for the relief of Militza Anich Racette.

Bill SD-48, for the relief of Joan Emily Wills Meehan.

Bill SD-49, for the relief of Roger Vermette.

Bill SD-50, for the relief of Rose Vosko Ribkoff.

Bill SD-51, for the relief of Vivian Phyllis Steine Skolnik.

Bill SD-52, for the relief of John Gilbert Oakley.

Bill SD-53, for the relief of Eard Bernard Lapierre.

Bill SD-54, for the relief of George William Douglas Edmonds.

Bill SD-55, for the relief of Marie Rose Nicola Lapenna McLaughlin.

Bill SD-56, for the relief of Delema Grace Mullin Simon.

Bill SD-57, for the relief of Earle James Andrew Aspell.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 10, 1960

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

Prayers.

PRIVATE BILL

CANADIAN REASSURANCE COMPANY—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-13, respecting the Canadian Reassurance Company .

Bill read first time.

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

Hon. Mr. Thorvaldson: Tuesday next.

CANADA-NETHERLANDS INCOME TAX AGREEMENT BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-2, to amend the Canada-Netherlands Income Tax Agreement Act, 1957, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Thorvaldson: With leave, I move that the bill be read the third time now.

Hon. Mr. Reid: What is the hurry?

Hon. Mr. Thorvaldson: There is no hurry.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

UNITED CANADA INSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-7, to incorporate United Canada Insurance Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Méthot: Honourable senators, with leave of the Senate, I move, seconded by the Honourable Senator Monette, that this bill be read the third time now.

Hon. Mr. Macdonald: Honourable senators, I have no objection to this bill's being read the third time now, but I think it is a very bad practice to have bills read a third time on the day that they are reported from committee. However, I wish to assure honourable senators that I take no objection in this particular instance.

Hon. Mr. Vien: Honourable senators, we often heard a protest against this practice from the lips of the honourable Leader of the Government (Hon. Mr. Aseltine) when he was sitting on the Opposition side of the house. I should like to know how he reconciles the views he held then with the views he holds now.

Hon. Mr. Roebuck: Honourable senators, I would like to add a word. I have frequently asked that divorce bills be read the third time on the same day that they were given second reading. However, I think they are rather in a class by themselves. The passing of divorce bills is mere routine in processing the work of a judicial committee, and I do not apologize for doing so. But legislation such as we are dealing with now is in a different class. I am very firmly of the opinion expressed by the honourable Leader of the Opposition (Hon. Mr. Macdonald). This is not the first time I have taken this stand. I have done so over and over again, when the previous Government was in power as well as during the period that the present Government has been in office. There was no earthly reason why we should have passed the preceding bill today. We could have waited and observed the rules, the proprieties. I think we ought to do that in this case and in every case except when there is a reason for doing otherwise, and then that reason should be explained to us.

Hon. Mr. Vien: Honourable senators, would the honourable leader (Hon. Mr. Aseltine) tell us what the urgency is?

Hon. Mr. Aseltine: It is not my bill; I have nothing to do with it. It is a private bill.

Hon. Mr. Méthot: Honourable senators, I am not pressing for the third reading at this sitting. I will withdraw my motion, and move instead that this bill be placed on the Orders of the Day for third reading at next sitting of the Senate.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 141 to 152.

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

Hon. Mr. Roebuck: With leave, I move that they be considered at the next sitting.

Hon. Mr. Haig: This goes both ways. I object.

Hon. Mr. Roebuck: It is perfectly all right for anyone to object. But do not think I have any axe to grind in this matter—I am only trying to do the job that falls upon me as chairman of the committee.

The Hon. the Speaker: Honourable senators, under the rules these reports may be considered at the next sitting. Therefore, leave of the Senate for their consideration at that time is not required.

Hon. Mr. Roebuck: I requested leave of the Senate.

Hon. Mr. Haig: I object to the giving of leave.

The Hon. the Speaker: No leave is required.

Motion for consideration next sitting agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-71, for the relief of Jean Ludger Villeneuve.

Bill SD-72, for the relief of Robert Marcel Castets.

Bill SD-73, for the relief of Sarah Mary Shirley Collins Stewart.

Bill SD-74, for the relief of Stella Jean Dunn Breitman.

Bill SD-75, for the relief of Klari Margo Farkas Bodo.

Bill SD-76, for the relief of Vera Eileen Rath Croucher.

Bill SD-77, for the relief of Rena Kanofsky Perzow.

Bill SD-78, for the relief of Pearl Thorne Chipman.

Bill SD-79, for the relief of Joan Ethel Brooks Clarke.

Bill SD-80, for the relief of Ann Aaron Regenstrief.

Bill SD-81, for the relief of Eleanor Agnes Overall Cannon.

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Bill SD-82, for the relief of Betty Zaracoff Ferstenfeld.

Bill SD-83, for the relief of Kenneth Alan MacKenzie.

Bill SD-84, for the relief of Honoria Evelyn Day Matthew.

Bill SD-85, for the relief of Rene Georges Clement.

Bill SD-86, for the relief of Mary Eva Sheila Redmond Beards.

Bill SD-87, for the relief of Geraldine Anne Mary McElligott Parsons.

Bill SD-88, for the relief of William Gordon Jack.

Bill SD-89, for the relief of Eileen Coates MacPherson.

Bill SD-90, for the relief of Maria Lozinsky Truby.

Bill SD-91, for the relief of Willie Pomerleau.

Bill SD-92, for the relief of Patricia Frances Turley Raustis.

Bill SD-93, for the relief of Mary Jean Olive De Vouge Tremblay.

Bill SD-94, for the relief of Dorothy May Vallis Odell.

Bill SD-95, for the relief of Jimmy D'Abate.

Bill SD-96, for the relief of Mary Semenyshyn Shuch, otherwise known as Mary Semenyshyn Shuck.

Bill SD-97, for the relief of Monique Bauset Malo.

Bills read the first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

Hon. Mr. Vaillancourt: On division.

INTERNATIONAL TRADE

IMPORTS FROM JAPAN AND OTHER COUNTRIES

Hon. Wishart McL. Robertson inquired of the Government, pursuant to notice:

(1) What procedure does the Government follow in arranging with such countries as Japan to limit their exports to Canada?

(2) Is it a verbal agreement and, if so, who makes the agreement?

(3) If it is a result of correspondence, will the Government table copies of the correspondence?

(4) What particular exports to Canada does it apply to?

(5) What is given or implied to induce exporters to voluntarily limit their exports to Canada?

(6) Are any other similar arrangements contemplated and, if so, with what countries, and covering what products?

Hon. W. M. Aseltine: Honourable senators, I have received the following answer to this inquiry:

(1) Japan maintains restraints on its exports to Canada of cotton fabrics, some cotton garments and other cotton products, a number of spun rayon garments, braided elastics, stainless steel flatware, and hardwood plywood. The purpose of these restraints is to avoid disruption of the Canadian market and serious damage to Canadian producers of these commodities. Some of the measures were introduced by Japan, acting entirely on its own; others followed consultations between representatives of the two Governments. It should be noted that article 6 of our 1954 Trade Agreement with Japan provides that both countries will give sympathetic consideration to representations made by the other on matters of trade. Article XXII of the General Agreement on Tariffs and Trade, to which both countries subscribe, also provides for consultation on problems arising out of the operation of the agreement.

Representations by the Canadian Government have been confined to situations where damage has occurred to Canadian industry as a result of a large and sudden influx of particular Japanese products. The Japanese Government has usually been willing to adopt export restraints in such cases. In no case has it been necessary for Canada to impose restrictions of its own.

(2) Consultations are carried on between representatives of the Canadian and Japanese Governments. Both the consultations and the arrangements which result from them are verbal. In August 1959 the two Governments announced the result of one important series of consultations by means of simultaneous press releases in Ottawa and Tokyo.

(3) Answered in the reply to Question (2).

(4) Answered in the reply to Question (1).

(5) The Government of Japan and exporters in that country accept the principle that it is in their own interest to avoid disruption of Canadian markets. They recognize that their long-term position in exporting to Canada will best be served by orderly trading practices. The Japanese are therefore willing to apply restraints on the exports of particular products to Canada when they are convinced that such measures are necessary to ensure orderly participation in our markets for these goods.

(6) The Canadian Government examines trade problems as they arise and seeks solutions which are appropriate to the circumstances of each case. While the Government always tries to anticipate difficulties and to be ready for them should they occur, it is not possible to predict future policy with respect to these matters.

CENTRAL MORTGAGE AND HOUSING CORPORATION

INTEREST RATE ON GOVERNMENT ADVANCES

Hon. Wishart McL. Robertson inquired of the Government, pursuant to notice:

(1) How is the size of the interest rate determined that is charged by the Government for moneys advanced to Central Mortgage and Housing Corporation?

(2) How often is the rate changed?

(3) When was the last change made?

(4) What is the present rate?

Hon. W. M. Aseltine: Honourable senators, the answer to the honourable gentleman's inquiry is as follows:

1. The interest charged by the Government on moneys advanced to Central Mortgage and Housing Corporation is based on the approximate cost of Government borrowing.

2. The recent practice has been to review the rate and amend it, if necessary, every six months.

3. October 1, 1959.

4. 5¾ per cent.

DIVORCE

BILLS—THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill SD-28, for the relief of Barbara Jean Gillies Harris Cooke.

Bill SD-29, for the relief of Evelyn Annie Macleod Vaillancourt.

Bill SD-30, for the relief of Erwin Thomas Steppan.

Bill SD-31, for the relief of Donald Snowdon.

Bill SD-32, for the relief of Mary Nisbet Clements.

Bill SD-33, for the relief of John Thomas Francis White.

Bill SD-34, for the relief of Helen Frances Estelle Kearney Freeman.

Bill SD-35, for the relief of Joseph Alphonse Yves Jean Gabriel Lalonde.

Bill SD-36, for the relief of Omer Therrien.

Bill SD-37, for the relief of Helen Elisabeth Millar Ramshaw.

Bill SD-38, for the relief of Marie Rita Dube Hould.

Bill SD-39, for the relief of Stella Jean Margaret Newman Lamartine.

Bill SD-40, for the relief of Larry Orsa.

Bill SD-41, for the relief of Margaret Estelle Eleanor Evans Lanese.

Bill SD-42, for the relief of Brenda Mary Pardy Thacker.

Bill SD-43, for the relief of Jean Brasgold Martz.

Bill SD-44, for the relief of Lily Schucher Cohen.

Bill SD-45, for the relief of Anna Margaret Laurie Cannon Stevenson.

Bill SD-46, for the relief of Glafira Milczyn Sohn, otherwise known as Vera Milczyn Sohn.

Bill SD-47, for the relief of Militza Anich Racette.

Bill SD-48, for the relief of Joan Emily Wills Meehan.

Bill SD-49, for the relief of Roger Vermette.

Bill SD-50, for the relief of Rose Vosko Ribkoff.

Bill SD-51, for the relief of Vivian Phyllis Steine Skolnik.

Bill SD-52, for the relief of John Gilbert Oakley.

Bill SD-53, for the relief of Eard Bernard Lapierre.

Bill SD-54, for the relief of George William Douglas Edmonds.

Bill SD-55, for the relief of Marie Rose Nicola Lapenna McLaughlin.

Bill SD-56, for the relief of Delema Grace Mullin Simon.

Bill SD-57, for the relief of Earle James Andrew Aspell.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Joseph A. Sullivan: Honourable senators, in rising to speak to you today I hope it is not too late for one to extend very sincere congratulations to the mover (Hon. Mr. Courtemanche) and the seconder (Hon. Mr. Blois) of an address in reply to the Speech from the Throne for their most gracious speeches in opening this debate.

I would be remiss at this time if I did not thank my honourable Leader (Hon. Mr. Aseltine) for affording me the privilege of participating in this debate. I would also like to take this opportunity to thank my esteemed colleague from Medicine Hat (Hon. Mr. Gershaw) for the kind remarks he made yesterday pertaining to an occasion at Edinburgh in which I took part. However, honourable senators, I consider that his kind reference pertained not so much to an honour to myself as it did to an honour to Canadian medicine and this venerable chamber to which I have the privilege to belong.

St. Augustine once said:

> Every great and commanding movement in the annals of the world is the triumph of enthusiasm.

It has been my privilege over the years to address national societies not only in my own country and in the United States, but in South America, the United Kingdom and Europe. Nowhere and at no time in the history of this young country has Canada been held in higher esteem and acclaim that it is at this very moment.

When His Royal Highness the Prince Philip, Duke of Edinburgh, gave his presidential address to the Canadian Medical Association he chided the Canadian people for their low standard of physical fitness, and he challenged Canadian doctors to take positive steps to correct this defect.

Honourable senators, to begin with there are certain inherent difficulties in saying anything sensible about this subject. We are all interested in physical fitness, whatever that may mean. We in the Canadian Medical Association—and I am now speaking with its full approval—were undertaking to do something useful in promoting physical fitness prior to the President's speech, but the latter has served to focus attention on it. As doctors—and I speak as a doctor—we are inclined to undertake the assessment of physical fitness in the same way as we assess other aspects of health and disease, by defining and measuring normals and variations. This is essentially the physiological approach to fitness, and it leads to the assessment of tests of exercise tolerance and other devices to measure the elusive entity "fitness". This is the happy hunting ground of the physical educationist, the coach and the physiologist, but they have not been conspicuously successful in devising reliable tests of sufficient simplicity to make them useful tools in the hands of either doctors or laymen.

Still another opinion of physical fitness is that expressed by the ordinary man in the street. Physical fitness to him is not only a physical but a mental attitude. It is an interest in, and a willingness to participate in, physical forms of recreation, besides an ability to sustain such participation or activity to an extent commensurate with an age somewhat younger than that of the participant. Positive good health, infrequent illnesses, a cheerful optimistic attitude toward life and our fellow men, ability to work hard with our muscles on occasion, and a reasonable resiliency after such work are commonly accepted attributes of physical fitness. The maintenance of normal weight, a plentiful reserve of energy, a reasonable amount of good muscle tone and power available when called on, average agility and co-ordination, complete the picture of a person who is generally accepted as a fit man or woman. It is the picture of a physically active individual.

We are inclining to the belief that this is a more useful approach, and one which relates more closely to the Prince Philip's interest in the subject.

In the Department of National Health and Welfare there is an interdepartmental committee which is studying the role of the federal Government in this whole area. The committee is under the chairmanship of Dr. E. A. Watkinson, of that department.

Many of you, honourable senators, will recall the history of the National Physical Fitness Act. This legislation was passed in 1943. Its purpose was to assist the provinces by grants to promote recreation, sports and exercise, and it established a National Council on Physical Fitness. The latter proved to be a completely ineffective body, and the provincial programs were not much better. The act limped along for more than ten years until it was finally repealed, in 1954, at the instigation of the Minister of National Health and Welfare. The repeal of this act constitutes the only instance I can think of where give-away legislation was withdrawn. It really must have been a complete failure, and it is now mentioned only in connection with various recommendations which are being made to the Government for establishment of a National Fitness Council.

Every one of us is interested in physical fitness, but we are not merely interested in the physical fitness of someone who is 18 years of age. As the honourable senator from Medicine Hat (Hon. Mr. Gershaw) said yesterday, people today are living longer. We want a sensible program, so that a person of 45 years of age or 65 years of age will have some criteria of what to do and what not to do.

The program of the Royal Canadian Air Force began originally under that outstanding Minister of National Defence for Air who is now the honourable senator from Gulf (Hon. Mr. Power). That was a program to promote fitness among personnel of the Royal Canadian Air Force, and the brochure on exercise which has been produced has received a good deal of favourable public comment. The Medical Branch did not originate this venture, but did act in an advisory capacity.

The Canadian Medical Association, through the chairman of its Committee on Public Health, Dr. Duff Wilson, its secretary, Dr. Arthur Kelly, and its executive has done a great deal of work, and has given me some facts and figures which I trust will be in the record for all provincial departments of health and the federal Government to utilize in the future.

In speaking to the Royal Society of Medicine a couple of years ago I prefaced my remarks with these words:

> The true physician is no soothsayer, but rather one who opens the curtains and windows of the sick room to let in the light of wisdom and the fresh air of common sense.

I would like to have some common sense brought into a discussion of physical fitness. The term "physical fitness" has different meanings for a variety of purposes. To the medical and legal professions a physically fit person is a person who is in average good health, whose body is functioning at a normal, average pace and efficiency; an individual who is able to complete his day's work. He is free from disease. This concept is also accepted by some physiologists, whereas others find in the term "physical fitness" a higher level of efficiency, such as

> —the ability of the organism to maintain internal equilibria as closely as possible to the resting state during strenuous exertion, and to restore promptly after exercise any equilibrium which has been disturbed.

I hope that is not too technical, but that is a problem that confronts the medical profession today, and we are not bringing out a definite platform until we are sure of what we are talking about. This definition visualizes a reserve of physical resources available on occasions which are over and beyond the demands of ordinary work or living. This concept approaches that of physical educationists, coaches and trainers who, dealing often with the ordinary, healthy young person, expect or demand a state of physical fitness or efficiency which is associated with a trained and elite athlete.

When a group of twenty active young men from various professions and vocations were asked their definition of physical fitness they used such terms as "ability to do what you want to do", "reserve after a good day's work", "freedom from fatigue", "being in good condition", and "having good wind".

Here, then, is a variety of concepts, and it might be useful to deal with these in turn.

The normal state of freedom from disease acceptable to the medical and legal professions may be disposed of quickly, except as I will deal with it later when discussing "exercise tolerance". Medical science has arrived at a picture of the normal individual which is dependent on certain standards of hearing, vision, heart sounds, blood-pressure reading, and blood chemistry. This picture takes little cognizance of the individual's capacity for work, his agility, his co-ordination, his endurance and muscle power over and above his regular daily duties. This definition and standard is acceptable to the legal profession.

As already stated, this medical view of "fitness" is also accepted by some physiologists who alter the concept somewhat to admit the reaction of the individual to work. Fitness is that state of the human body in which the organism is able to exert himself or herself close to the normal limits for his or her age, sex, et cetera. However, fitness as a capacity of the individual to restore various internal equilibria after strenuous exertion appears to concern most of the physiologists

working in this field. Each of these definitions presupposes standards by which the physical fitness of the individual may be assessed.

In a discussion of the body's reaction to "strenuous exertion" the physiologists tend to exclude three of the accepted components of physical fitness: for example, strength, speed and co-ordination. Tests for muscular power have produced unsatisfactory and varying results in different hands. It is also difficult to measure co-ordination and speed. Natural endowment plays an important part here. Physiologists have concentrated, therefore, on the investigation of the individual's stamina and endurance when offered the challenge of physical work. Work is divided into two classes, aerobic and anaerobic. By aerobic we mean unable to live without oxygen, and by anaerobic we mean thriving best without air. In the anaerobic effort there is a powerful muscular contraction over a short period of time and there may be no oxygen intake over this period. The 100-yard dash is a good example of this. In aerobic work there is a prolonged effort in which, finally, the oxygen intake balances the oxygen demand. Anaerobic work depends upon the muscle cell, but in aerobic effort the oxygen-carrying capacity of the body—circulation and respiration—which bears a close relationship to endurance, plays the dominant role.

"Maximum physical performance" will be determined by (a) the capacity of the energy-delivering processes and (b) the mechanical efficiency—technique and skill—of the individual. Provided the mechanical efficiency does not vary too much, the individual's capacity for oxygen intake should be decisive in his ability to sustain heavy prolonged work. This leads to the statement, "The superiority of the athlete lies in his ability to meet the demand for oxygen."

P. O. Ostrand wrote a very extensive article in the *American Physiological Review*, volume 36, 1956, in which he pointed out: The oxygen intake is measured in millilitres per kilogram per minute, and the most outstanding characteristic of the elite athlete is a high capacity for oxygen intake per kilogram of body weight.

Such athletes are John Landy and, of course, the great Maurice Richard. In the case of John Landy it was 76.6 millilitres per kilogram per minute, compared with an average for college students of the same age of 53.6 millilitres per kilogram per minute, and there was nothing remarkably different in pulse rates or pulmonary ventilation. Landy used chiefly leg and shoulder muscles, but a champion skier who used still more muscle groups showed an oxygen intake of 86 millilitres per kilogram per minute. We are unaware of the upper limits.

Training improves performance in two ways. First, by increasing techniques of skill for a particular or special performance. In this way the body machine functions more economically. Secondly, by endurance training which aims at general strengthening of the oxygen-transporting system. Training tends to produce a slower pulse with increased heart-stroke volume. There is an increase in heart-muscle mass and storage of glycogen in the liver. Skeletal muscle mass increases and vascularization improves. Pulmonary ventilation per litre of consumed oxygen decreases and restitution after work occurs more rapidly. During a period of training the pulse rate can be reduced at rest, at work and in recovery from work, and a good standard of physical condition presupposes a rapid adaptation of the circulatory and respiratory organs to the demand for work. A high standard of physical condition means that the organism can stand heavy muscular work over a period of time. A sound program of physical exercise—and I emphasize this—would develop a capacity for work which would lie well above the load of daily work with a reduction in fatigue.

As to physical fitness tests, I quote from Johnson, *American Review of Physiology*, 8.335-568, 1946:

> Quantitative assessment of physical fitness is one of the most complex and controversial problems in applied physiology. The situation arises in part from the lack of general agreement on what constitutes fitness for withstanding various types of stress, and in part from lack of agreement on what measurements allow valid comparisons among individuals exposed to the same stress.

Varying demands upon the organism produce varying responses, which not only make a definition of physical fitness difficult but make its measurement well nigh impossible.

We are beginning to see the problem that confronts us. To further complicate matters, "motivation to do well" is, no doubt, a factor in any assessment of physical fitness. We are talking of physical fitness for the whole Canadian public. It may interest honourable senators to hear about a new book, *The Freudian Ethic*, by Richard LaPiere, Professor of Sociology at Leland Stanford University. The Freudian Ethic is defined as the idea that "man cannot and should not be expected to be provident, self-reliant, and venturesome; that he must and should be supported, protected and socially maintained". I would think that over most carefully.

Fitness of the respiration and circulation for prolonged heavy work is indicated by testing the oxygen carrying system. Cardiac output is difficult to measure during periods of heavy muscular work; oxygen intake capacity is a valuable method of testing but,

in both these, collaboration on the part of the subject is urgently needed. This may produce overstrain and is probably not advisable in untrained, older subjects or patients. Resting tests will ascertain presence of disease but give little information with regard to capacity for hard, muscular work. Thus a determination of vital capacity breath-holding time, maximum breathing capacity and maximum expiratory force is more or less useless as a functional test on healthy individuals, chiefly because results vary too widely and quantitatively. They show an unsatisfactory correlation to physical fitness. A determination of the amount of hemoglobin probably is the best investigation at resting conditions.

Investigation of the different functions during recovery does not give reliable information. For instance, the correlation in the same person between the pulse rate during constant work and the pulse rate after the end of the work is relatively high, but may vary a great deal with another person whose physical condition is about the same. Recovery values may be followed in the training of individuals, but there is no value in comparing with other individuals.

Some tests use pulse rate beyond rest level during work and recovery from this work. The lower the sun the lighter the load on circulation. Theoretically it is incorrect to evaluate circulatory system by net pulse—for example, pulse rate during work minus the pulse rate during rest—because of the great difference in cardiac stroke volume. An attractive test consists in instructing the subject to do standard work at one or more work intensities where the work time for each intensity is at least five minutes. Different functions have been examined in such a test—oxygen intake, lactic acid increase, pulse rate caused by the work or the amount of work performed at a fixed pulse rate. There appears to be a high correlation between heart rate when performing submaximal work such as cycling, running or the step test and the maximum oxygen intake. Explanations for this are not obvious—the pulse rate increases rectilinearly with oxygen intake. Maximal heart rate reached during exhausting work was about 195. This apparently applies to persons of 18 to 39 years. We are not sure of the validity when testing older or younger people or patients with disease in the oxygen-transporting system.

Ideally, the individual should be examined during muscular work of submaximal intensity, using great muscle groups, so that mechanical efficiency remains fairly constant. The work load must be carefully determined and reproducible. The treadmill and bicycle argometer seem to be the best apparatus. Investigations should be made four to five minutes after the start of the work, and work intensity should not be too high, so that motivation plays a part. On the other hand, work level should not be too low, for here again psychical factors play a part. Very few tests satisfy all these demands for, as already mentioned, most of the tests are taken at rest or during recovery. Furthermore, in "exhaustive" tests, psychic factors greatly influence the results. E. A. Harris wrote an excellent article dealing with this matter, which appeared in the British Journal *Lancet* on August 23, 1958.

Physiologists are not the only investigators who have concerned themselves with the assessment of physical fitness. Medicine and, in particular, the cardio-respiratory specialists have searched diligently for a simple means of measuring physical efficiency.

Cardiologists speak of "exercise tolerance tests". These are closely related to tests of fitness for athletics, industrial and military purposes. Many tests have been evolved but all fall short of the ideal. It has been shown, for instance, that in the case of the Harvard Step Test there is little correlation between ability to perform athletic feats and recovery rate after the test. It is considered of more value to look for responses during exercise for indication of fitness. Changes in the pulse rate after exercise are poorly understood. In a test devised by Muller, the rate of the rise in pulse rate with the increasing rate of work is measured and there appears to be some correlation here. Fit subjects tend to have a lower heart rate than unfit subjects, but the factors producing the tachycardia are poorly defined and, therefore, difficult to control experimentally. No exercise tolerance test based on heart rate can be confidently recommended. Differences in oxygen debt, using exercises well below maximal level, are demonstrable between subjects, and such tests appear to be suitable for clinical use. Furthermore, such a test appears to provide a truly objective measure of performance. Oxygen debt is almost the only indication that the exercise which preceded it was "inefficient". Thus far no clinical test has been devised to the point of practical usefulness. Harris concludes his article by stating that there is a necessity for (a) further research on conditions under which oxygen is contracted and repaid in health and disease, and (b) better understanding of mechanisms whereby the heart rate increases during exercise, if we are to assess exercise capacity with reasonable accuracy.

I think the time is close when we will be able to do that. The very fact that we can

now open up the chest and examine the living heart will probably be the solution to that particular problem.

Dr. Duff Wilson, Chairman of the Public Health Committee of the Canadian Medical Association, in his observations of the Canadian Standard Efficiency Tests as demonstrated by Dr. Doris Plewes of the Department of National Health and Welfare, makes some very pointed suggestions.

Physical fitness, as conceived by physical educationists, coaches and trainers, whose concern is the physical education and development of the individual, the promotion of games and improvement of sporting skills, involves not only the stamina, as measured by the oxygen carrying capacity of the body, but also muscle power, agility and co-ordination. Standards based on a great many observations have been established. These are used to indicate to the individual person his state of physical efficiency. It is not clear how these standards are arrived at—whether by observations on superior athletes or by observations on a great number of subjects with the medium chosen as the representative figure. The chief value of these tests lies in stimulating interest in physical activity. But it is possible, also, that comparing the results of the tests might indicate to the individual his progress in a training program. Too often these tests rest on faulty physiological premises and, in the light of the discussion referred to, do not indicate physical fitness as defined by the physiologists. There may be, however, no attempt on the part of the physical educationist to satisfy the exacting demands of physiology, but, believing firmly in the benefits to be derived therefrom, they may merely wish to awaken a sedentary public to physical activity. To the physical educationists, physical fitness—which seems to be synonymous with physical efficiency—is achieved or induced by physical activity directed toward developing higher standards of all four components of fitness, even though the standards may seem to be somewhat higher than is practical for the average Canadian.

Still another opinion of physical fitness is that expressed by the ordinary man in the street. Physical fitness, to him, is not only a physical but a mental attitude, an interest in and a willingness to participate in physical forms of recreation, besides an ability to sustain such participation or activity to an extent commensurate with an age somewhat younger than that of the participant. Positive good health, infrequent illnesses, a cheerful, optimistic attitude toward life and his fellow men, ability to work hard with his muscles on occasion, and a reasonable resiliency after such work are commonly accepted attributes of physical fitness. The maintenance of normal weight, plentiful reserve energy, a reasonable amount of good muscle tone and power available when called on, average agility and co-ordination complete the picture of a generally accepted fit man or woman. It is the picture of a physically active individual.

A group of 20 men, in the 20-to-30-age group and coming from varying vocations, were interviewed. These men ranged from superior athletes to men who had no interest in athletics. They were all physically active men who, if in a sedentary occupation, would take regular physical exercise; and if not taking regular exercise, their job was an actively physical one requiring a good deal of hard muscular labour. They were considered to be in good physical condition from personal knowledge, and in the lay sense of the term were "physically fit". The interviewer reviewed family and past personal history, asked a few questions about their "philosophy" of physical exercise, their concept of physical fitness, types of recreation they enjoyed, personality, et cetera, and certain body and muscular measurements were taken. The intention is to repeat this interview once yearly for some years, primarily to get a "man in the street" opinion of physical fitness and to compare measurements and results of any tests which may be administered over the period of life which appears to be the most crucial as far as the maintenance of physical fitness is concerned.

Of these 20 men, some 17 were available for the tests. These were supplemented by 23 high school students varying again from the superior athlete to the student who took no interest in athletics. The students were all from Grade XIII and ranged in age from 18 to 20.

The 40 men participating in the tests were grouped into superior athletes, average athletes and non-athletes—with 6 men in the first group, 20 in the second and 14 in the third. The results of the tests and comments follow:

1st Test: ORGANIC EFFICIENCY TEST—Step Test

Class	Above average	Average	Below average
Superior athletes (6)			6
Average athletes (20)		2	18
Non-athletes (14)	1	1	12

This is pratically an anaerobic test and, therefore, depends almost entirely on the muscle cells. Furthermore, the relationship of increased heart rate to exercise is not clearly understood. (I referred earlier to criticism of the Harvard Step Test). This appears to be borne out by the fact that there seemed to be so many failures among all the personnel taking the test, and especially

among known athletes. Aside from the value of the test as a measurement of organic efficiency, an important factor appeared to be an initial nervousness and apprehension felt by personnel when faced with the test. It is possible that the improvement that apparently results from certain training techniques may be due to an increasing familiarity with the test. Again, because of the great number of failures, it is suggested that the standards are much too high and impractical. This test might indicate a little more if carried to the limit of endurance or to a certain pulse rate.

2nd Test: MUSCULAR FLEXIBILITY TEST—Floor Touch

Class	Above average	Average	Below average
Superior athletes	6		
Average athletes	18	2	
Non-athletes	11		3

Motivation played a tremendous part here. It is difficult to see how this test could demonstrate a degree of physical efficiency, although the ease with which the floor can be touched with fingers or hands is taken as an indication of a physical prowess of some sort.

3rd Test: A TEST OF ARM STRENGTH—Shot-put

Class	Above average	Average	Below average
Superior athletes	6		
Average athletes	20		
Non-athletes	10	2	2

Unless this test is closely scored there is a good possibility of cheating. The results were rather interesting, in that the known field athletes appeared to have a better score than the men who had developed good shoulder musculature from hard work. As a test of physical power it appeared to be too limited in its scope. Ninety per cent of the candidates passed this test.

4th Test: STRENGTH AND ENDURANCE OF ABDOMINAL MUSCLES—Sit-ups

This is another anaerobic test and, therefore, no special indication of endurance, especially seeing that almost all the participants were sore for days afterwards—even the most active and athletic. Motivation and the competitive spirit were strong factors here.

5th Test: STRENGTH AND SPEED (Leg Muscles)—JUMP AND REACH

Class	Above average	Average	Below average
Superior athletes	4		2
Average athletes	11	3	6
Non-athletes	7	1	6

It is difficult to see how this test assesses speed, but it might be considered an indication of co-ordination. This is too much an inherent attribute to be of much value in determining individual physical efficiency. There seems to be little doubt, however, that improvement is possible with training up to a certain point. The highest score recorded here was made by a superior athlete with extremely well-developed arms and shoulders but only moderately well-developed legs.

6th Test: TEST FOR MUSCULAR ENDURANCE (shoulder and arms)—Chinning

Class	Above average	Average	Below average
Superior athletes	5	1	
Average athletes	9		11
Non-athletes	4	1	8

There appears, here, to be a correlation between athletic ability and a successful test. Motivation was again a strong factor here. Some of the participants who worked at hard jobs and had very well-developed shoulder and arm muscles did more poorly than athletes who showed no remarkable development of these muscles. Is it possible to conclude that some other factor besides muscle power is a factor here? Has the weight of the participant, in proportion to his muscle development, anything to do with the result?

7th Test: TEST FOR MUSCLE POWER AND CO-ORDINATION—Standing 3 Hops

Class	Above average	Average	Below average
Superior athletes	3	1	2
Average athletes	9	3	8
Non-athletes	2	3	9

Athletes, here, appeared to do better in this test also. Co-ordination seems to be again a big factor.

8th Test: TEST FOR ORGANIC ENDURANCE—The Endurance Drop-Off Test

Class	Above average	Average	Below average
Superior athletes	4		2
Average athletes	10		10
Non-athletes	8		6

As is recognized, some cheating is possible in this test. "Wind" is a good indication to most of us of physical fitness, and this is a test in which the development of oxygen debt results in the "drop off". A little longer run might indicate the true stamina of the participant as the oxygen debt is gradually overcome and the oxygen intake begins to correspond. If it were possible to measure the oxygen intake and the pulse rate at this point and compare it with resting states, it would seem to offer the best possibility of a satisfactory test for physical fitness. It is difficult to see how it could be applied clinically, however, except in normal individuals.

The Canadian Medical Association, speaking through the chairman of its Committee on Public Health, Dr. G. E. Duff Wilson, records the following observations:

Assuming that Canadians in general are not physically fit, is this a factor in increased hospitalization, widespread disabilities amongst Canadian

children, increased mental disease, juvenile delinquency, etc., as suggested by His Royal Highness in his presidential address? You will recognize that this is very difficult to determine. Most of the work that has been done on the relation of physical fitness to general health has been done without defining or assessing physical fitness, but has compared the morbidity and mortality statistics of physically active groups with physically inactive or sedentary groups—always, of course, to the advantage of the physically active. We think it is safe to assume at this stage that physically active people are "better" physically, mentally, etc., than sedentary types, but we are a good way from proof. Observations by physiologists and the definite improvement in performances, which are the results of training, indicate without doubt that training increases physical efficiency and physical fitness. The problem then resolves itself down to attempts to increase the physical activity of Canadians.

Physical Fitness Tests: These are often designed by physical educationists with the chief purpose of demonstrating unfitness. In my opinion these are presently unsatisfactory for this purpose, but, at the same time, it would be interesting to know:

(a) The maximum activity level of the normal healthy human being and how this varies with sex and age.

(b) The factors normally limiting the upper level and, therefore the physical performance.

(c) The individual performance of tests designed especially to assess essential physical components of some special sport or endeavour. Considerable work has been done on this.

(d) The individual's response to training—a lot of important work has been done in this field.

(e) The response of the individual, i.e. in physical performance to rehabilitation procedures, e.g. after cardiac infraction.

(f) The level of physical performance of the average, generally accepted physically fit individual, as compared to the maximum performance as indicated in (a) above—for Doctor Plewes' demonstration picked men whom he considered to be physically fit.

(g) The means whereby a reasonable state of physical fitness, as in (f) above, might be attained and maintained.

For all these approaches to physical fitness tests, basic research is needed. For instance, we are still unaware of the reasons for the tachycardia which exercise produces, or conditions under which oxygen is contracted and repaid in health and disease.

What can doctors do to increase the physical activity of Canadians?

(a) We can advocate research in universities, governmental agencies and internationally in the World Health Organization.

(b) We can make certain that the physical education in our schools is adequate—and that is a provincial matter.

(c) Visual aids to education of the general public in physical fitness—films, TV programs.

That would be a good use to put TV to.

(d) We might throw the columns of the C.M.A. *Journal* open to original work on the subject.

(e) Pamphlets have been tried by the American Medical Association.

(f) Lectures—at our own meetings.

(g) Local Physical Fitness Councils—promoted and backed by local medical societies, primarily to ensure adequate local physical recreation facilities.

(h) Publication and widespread distribution of present knowledge on training, rehabilitation, exercises for age, sex, in order to maintain physical fitness.

The chief reason for the preoccupation with physical tests is in the hope that some simple, reliable, repetitive, physiologically sound test might be evolved which would enable doctors to determine easily—even within their offices—the physical fitness of their patients. Besides uncovering any abnormalities, this test could be used to stimulate the patient to even greater physical activity and physical forms of recreation, the advantages of which to health and vigour everyone is aware. No such test, which could be applied clinically, seems to be available so that the medical profession is thrown back on other ways and means in which they might exert their influence to increase the physical activity of Canadians.

We are not interested in promoting vitamins, and so forth, but in promoting experimental work so that, based on sound physiological and medical principles, a program will be evolved in the future to help the whole country and the public at large.

Of all the outdoor sports, walking and swimming require the least equipment, yet both provide excellent exercise that can be graded in intensity and duration according to the individual's ability. Mere recollection of the belief held by all drill sergeants that route marches are the fastest method of converting civilians into toughened soldiers will cause many feet to ache. Yet the very wealth of this country, which is able to provide more than adequate nutrition and sufficient space for physical exercise, has tended to make Canadians so indolent that even walking has come to be considered an unbearable chore. If the present trend continues, paediatricians —that is, baby specialists—will soon have to drop from the list of milestones of physical development the age at which a child learns to walk.

Canadians as a people are a hybrid race, and as such should possess a natural vigour, but our wealth and the advance of automation have sapped our strength. The little red school house which characterized the Canadian scene at the turn of the century has been replaced by the consolidated school, and children no longer walk two or three miles between home and school twice a day as their grandparents did, but instead are picked up at the gate by the school bus. In the city, where it is unusual to be even a mile from school, many children are driven to school by their parents. It is a common complaint to doctors that housewives are kept busy every afternoon after school providing a jitney service, taking children from school to dancing or music lessons and other group activities.

If funds are made available at any level of provincial or federal government to provide facilities for encouraging physical fitness, it could well be spent in providing footpaths and trails, both in cities and throughout the countryside, as an encouragement to hikers and others who wish to walk. Throughout the country, rights of way as

footpaths could be established across the countryside. These could follow farm lanes, river valleys, or other topographical features. They would constitute a much needed recreational facility whose value would increase progressively as the population grows.

Establishment of public footpaths and encouraging people to use them would be an active step in promoting physical fitness among the Canadian people. In case anyone feels that I am against physical fitness, my final word is, "Go take a walk."

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 107 to 140, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

BILLS—SECOND READINGS

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

Bill SD-58, for the relief of Marie Simone Louisette Bellemare Lafond.

Bill SD-59, for the relief of Elisabeth Lebherz Denig.

Bill SD-60, for the relief of James William Neilan.

Bill SD-61, for the relief of Donna Lois Marchand Silverman. (Annulment.)

Bill SD-62, for the relief of Leo Proulx.

Bill SD-63, for the relief of June Laura Welby Leger.

Bill SD-64, for the relief of Dorothy May Kenny Mulcair.

Bill SD-65, for the relief of Margaret Kathleen Graham Lane.

Bill SD-66, for the relief of Hubert Shirley Quartz.

Bill SD-67, for the relief of Claudine Fernande Yvette Thibaudeau Tarride.

Bill SD-68, for the relief of Mary Pirie Wood Hunnisett.

Bill SD-69, for the relief of Marine Tony Jakovich.

Bill SD-70, for the relief of George Henderson.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 11, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following report:

Report for the financial year 1959 compiled from returns made by the chartered banks of Canada, on information set out in Schedule "Q" to the Bank Act, pursuant to section 119(1) of the said act, Chapter 48 of the Statutes of 1953-54.

PRIVATE BILLS

MUNICH REINSURANCE COMPANY OF CANADA —FIRST READING

Hon. Hartland de M. Molson presented Bill S-14, to incorporate Munich Reinsurance Company of Canada.

Bill read first time.

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

Hon. Mr. Molson: With leave, Tuesday next.

CANADIAN PUBLIC HEALTH ASSOCIATION— REPORT OF COMMITTEE

Hon. Clarence J. Veniot, Chairman of the Standing Committee on Public Health and Welfare, reported that the committee had considered Bill S-9, respecting the Canadian Public Health Association, and directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Macdonald: Next sitting.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 153 to 164, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, February 16, 1960, at 8 o'clock in the evening.

Hon. W. Ross Macdonald: Honourable senators, may I ask the honourable Leader of the Government if it is his intention to proceed with the bill covering the supplementary estimates as soon as it is received in this house?

Hon. Mr. Aseltine: Yes, that is what I would like to do. The debate in the other place is not yet completed, but the probability is that it will be completed on Friday. If the bill comes to us in time, I would like to proceed with the first stage at any rate on Tuesday next. We could possibly complete the debate on the supplementary estimates and obtain royal assent to the bill some time next week.

Hon. Mr. Macdonald: Not necessarily on Tuesday?

Hon. Mr. Aseltine: No.

Motion agreed to.

LAND USE

SPECIAL COMMITTEE APPOINTED TO CONDUCT INQUIRY

Hon. W. M. Aseltine: Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the incomes of those engaged in it;

That the committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Leger, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (Kamloops), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Wall and White.

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

That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the committee.

I would like to outline very briefly my reasons for bringing this motion before the Senate. I am sure we all want to commend the committee which has sat so faithfully during the last four sessions for the industry of its members and for what they have been able to accomplish.

The honourable senators mentioned in the motion were members of the committee last session, and many of them were members during the previous three sessions as well. Quite a number of them approached me, stating that they thought they could still do

much work in investigating land use in Canada, and they asked if I would consider bringing in a motion to set up the committee once more so that they could go ahead with this work and, perhaps, complete it and bring in a final report this session. During the last session, as honourable members know, they spent quite a lot of time investigating small farm holdings with a view to finding out how these could be made more profitable, and it is my opinion that the committee should continue to investigate that branch of land use.

Having said that, I would like to refer to the invitation which was extended to the committee last June by the Canadian International Paper Company. This company has a forestry farm in the Laurentians, at Harrington, Quebec, just across the Ottawa River from Hawkesbury. Although I was not a member of the committee I muscled my way into the invitation which was so kindly extended by Mr. Johnson, the president of that great corporation. One reason why I wanted to go was that the company said they would show us how small farm holdings with wood-lots on them are handled in the province of Quebec. Having been interested for many years in Saskatchewan in the planting of trees to be used more or less as shelter belts around farm buildings, and having been instrumental in planting some 30,000 or 40,000 trees, I wanted to find out for myself exactly what work was being done in Quebec. So I went along with the members of the committee. We were taken by automobile from the Parliament Buildings on a Friday morning and we spent most of that day and all of Saturday at the Harrington Tree Farm as guests of the Canadian International Paper Company. We were royally entertained. I can say that without any fear of contradiction. We were shown exactly what they were doing. In the territory there are many small farms with wood-lots on them, and in order to instruct the owners in the management of their property and ensure continued production of trees the company set up a body of forestry experts who have planted a great area of the valley in trees. The company showed us how this was done by machinery, with one man planting the trees and another covering over, and so on. They have a wonderful plant at Harrington, and every year they hold a great forestry picnic to which all the local farmers and other citizens in the community are invited. It is on this occasion that the small wood-lot and farm holders are instructed in tree planting and tree conservation.

I found it all most interesting and I am sure the members of the committee did too. It is this type of thing that the committee can look into with considerable benefit to this country, and I hope it will continue its good work.

Hon. W. Ross Macdonald: Honourable senators, I am pleased to join with the honourable Leader of the Government (Hon. Mr. Aseltine) in seconding this motion. In doing so I would also like to join with him in saying a word of commendation to the committee, which was set up originally under the chairmanship of the honourable senator from Gulf (Hon. Mr. Power) and is now under the chairmanship of the honourable senator from Lumsden (Hon. Mr. Pearson). Both these honourable gentlemen have given direction to the committee, which has been very faithful to its duties and has done a very good service for the country.

At times the members of the committee may feel their efforts have been to no avail and that they have not received much commendation, but I find that their efforts have been appreciated. I myself have read a number of favourable comments about the committee and its work. I would like to refer to one such comment, an editorial in the Toronto *Globe and Mail* on July 20, 1959. Under the heading "The Myth of the Family Farm", it said:

> The report of the Senate Committee on Land Utilization is a remarkably bold document to come from Ottawa. It bluntly proclaims that "farming is no longer a way of life but a business", and it recommends that farmers on marginal land, who cannot make a living from it, should be encouraged to find other occupations.

I will not read it all. It went on to say:

> This will be heresy to most farm organizations and to most politicians.

A little farther on there was this statement:

> The committee deserves a commendation also for two of its other recommendations: that the official federal and provincial soil surveys now in progress be speeded up and that land be classified according to its appropriate use; and that the study and management of water resources be expanded—
>
> This is wise and overdue advice. Canada has been, and still is, woefully negligent in studying and protecting these basic national resources. As examples of what this neglect may lead to, we need only point to the pollution of Ontario streams, and the relentless disappearance of the Niagara fruit lands under a flood of uncontrolled urban and industrial growth.

That is a very encouraging editorial, and it is quite proper that the committee should have been congratulated for the splendid work it performed.

I would also like to bring to the attention of the house an interesting article written by Roderick Goodman in the *Globe Magazine* of January 17, 1959. It does not refer to the committee, but it does discuss the kind of work which the committee has been doing.

Honourable senators, I do not wish to discuss farm problems in general. I have never set myself up as an expert on farming, but I was quite interested to read an article appearing in the *Industry*, a paper published by the Canadian Manufacturers' Association, which reveals that:

> In 1958 the number of Canadians working in manufacturing industry approached 1½ million, an all-time record. This is over 300,000 more than in 1948 and means that Canada's manufacturing labour force has increased nearly 30 per cent in the past decade.

With regard to agriculture, the article reveals that:

> In the same period, the number of Canadians employed in agriculture has fallen by more than 400,000 or 35 per cent.

That is, the number employed in industry has gone up by 30 per cent during the last decade, while the number employed on farms has dropped by 35 per cent.

It is not my intention to discuss farming generally, but I would like to refer to fruit farming. The editorial in the Toronto *Globe and Mail*, to which I referred a moment ago, discussed what is happening in the Niagara Peninsula. I have looked up some of the tables of fruit production in Canada and I find that in 1948 the production of apples, pears, plums, prunes, peaches, apricots, cherries—sweet and sour, strawberries, raspberries, loganberries, grapes and blueberries had a gross value of $40,616,000.

In 1957, nine years later, the value was $39,704,000; that is about $1 million less. In 1958 the total value of the fruit crop in Canada amounted to $43,262,000. Honourable senators will see, therefore, that there has been comparatively little difference in the dollar value of Canada's fruit crop during all those years. The population of Canada increased from 12,823,000 in 1948 to 17,678,000 in 1960, an increase of about 40 per cent during those years, and yet there has been practically no increase in the dollar value of our fruit crop. Of course, during that time there has been an increase in prices. If I may be permitted, I will quote from a table filed in this house last session by the honourable senator from Mille Isles (Hon. Mr. Monette), so there is no question as to its authenticity. At page 488 of the Senate *Hansard* of 1959, in a column headed "Percentage of yearly increase of prices over constant 1949 dollar," the table showed an increase of over 34.4 per cent. So even with an increase in population of about 40 per cent and an increase in prices of about 34 per cent the dollar value of fruit grown in Canada has remained about constant. It may be that fruit has not increased in price along with other products, and I have no way of ascertaining that, but it is a striking fact that there has been practically no increase in total dollar value during those years.

I am particularly interested in the Niagara Peninsula district. As honourable senators know, there is a great production of fruit in that district; in fact, I have it on very good authority that 57 per cent of all fruit grown in Ontario and about 26 per cent of all fruit grown in Canada is grown in the Niagara Peninsula. Honourable senators will realize, therefore, how important that section of Ontario is to the whole dominion. Canadians like to eat fruit, but we do not like to import it. Frankly, honourable senators, fruit production in that area is dropping off rapidly, and there is a danger that fruit grown in that district will almost completely cease within the next thirty or forty years. The explanation is that industry is creeping in, that subdivisions are being set up, that housing is being established and trunk highways built through the very best farm lands.

Hon. Mr. Higgins: Can the honourable senator tell me how much territory in Niagara the Seaway takes, if any?

Hon. Mr. Macdonald: At the moment I am discussing fruit lands in the Niagara district, which is not affected by the Seaway. I have not got definite figures regarding the Seaway in other districts. I have it on very good authority that within the next twenty-five years the population of the Niagara district will increase by over 1,500,000, and that these additional people will settle there to engage in industry and not in order to farm.

Hon. Mr. Brunt: May I ask the honourable senator a question? That figure is the expected increase in population in that district, is it?

Hon. Mr. Macdonald: Yes, in that district. The people of the Niagara Peninsula are concerned about it.

Mr. R. K. Matthie, of St. Catharines, Manager of the Ontario Pear, Plum and Cherry Growers' Marketing Board, and Llewellyn Smith, president of E. D. Smith and Sons, canners—and a grandson, I believe, of a former senator—are very concerned that these fruit lands are being taken up and that before long there will be not nearly sufficient fruit to meet the ever-growing needs of our population.

Dr. Putman, head of the University of Toronto's Geography department, says that within the next comparatively few years the Peninsula will lose 125,000 acres to urban development, judging by the present rate at which houses and industry are being located in that district. During the past five years

more than 30,000 people have moved into the area, not to farm, but for industrial purposes, and during that time they have taken up three thousand acres of prime fruit soil. I have not the figures to show how much soil there is there, but honourable senators know that it is not a wide peninsula and it is only on one side of the escarpment that fruit is grown to great advantage.

Another distinguished authority, Professor E. G. Pleva, head of the Geography department at the University of Western Ontario, says that in time science may assist in bringing about greater production. His opinion is that at present there is not a large enough population to make this feasible. This is his warning: The production per acre "will not come about until increased population demands it".

He goes on to say:

> By that time, this increased population will be sitting on the land where it should have found its food.

I feel I should bring this whole subject to the attention of the house. Specifically, I have no solution, but I think we should realize where we are going in so far as the production of fruit in this country is concerned. I know you will immediately say to me, "If a farmer has 100 acres of land and is offered a very high price for it for industrial purposes, how are you going to prevent him from selling?" I have not the answer. If I owned the land at the time I would want to take the high price too. We would all want to take the high price. But that does not mean we should ignore the problem. I say we must think about it and do something about it. If we fail to take some action which is fair to the farmers who own that land now, honourable senators, I am afraid that, probably not in my lifetime but in the next 20 or 30 years, Canadians will be eating not homegrown but imported fruits only.

Hon. Arthur M. Pearson: Honourable senators, I want to say just a word or two. Your Special Committee on Land Use brought in its final report in the latter part of last session and it contained a number of recommendations. One was that the committee request the federal Deparment of Agriculture to send a delegation to the United States to study and report on rural development programs.

You will be pleased to know, honourable senators, that the federal Government, through the Department of Agriculture, named a committee composed of officers of that department, and designated Dr. J. F. Booth, Director of the Economic Division of the Administration Branch to head it. The other members of the committee were: A. E. Barrett, Assistant to the Director General of the Research Branch; S. F. Shields, Regional Director of the Prairie Farm Rehabilitation Administration; R. A. Stutt, Head, Lands Economics Division, Administration Branch.

This committee set out a planned program of travel through the northern areas of the United States. They started in Washington state and pretty well covered the northern part of the United States, ending up in Maine, although they did not travel in that order. They went to Washington, D.C. and conferred with officials of the Department of Agriculture there, and they conferred with officials in the different states through which they travelled. They have now almost completed their report, which is a very voluminous one. I have seen part of it, and I believe it is a very worth-while report which would be of great interest to the Senate. The Land Use Committee will probably be receiving the report very soon, and will consider whether to adopt it or reject it, or reject parts of it. In any event, the committee will, I presume, bring the report before the Senate later on.

Hon. Austin C. Taylor (Westmorland): Honourable senators, I feel that I should say something in relation to the work of this Special Committee on Land Use. I think you will recognize that my interest in agricultural matters more or less forces me to say something on this subject.

I am in favour of the setting up of the committee again. I believe it has done a lot of effective work. Honourable senators will probably recall, however, that just before the close of the last session I did state that I was not satisfied with the progress made by the committee. I am still of that opinion. I have been a farmer all my life and have lived on a farm, and I have been engaged in the formation of administrative policies for agriculture for a great number of years, and it may be that I see some of these problems a little differently, perhaps a little more clearly, than others who are not as familiar with them.

I think there are certain fundamental principles which the committee should have recommended. After all, it has been sitting for four years—this will be its fourth session—and not too many recommendations have come from it. Let us not forget that the farm people of Canada are expecting this Senate committee to do something for agriculture. Only yesterday I noticed in a report from the Dominion Bureau of Statistics that the price of farm products in the interval from December 1958 to December 1959 dropped 6.44 points. I am not talking

about net income or profits, but of the prices of goods that farmers sell. The index is down 6.44 points in the year, and we all know that the cost of production is going up all the time. We have heard a great deal about the cost-price squeeze, and it is getting more serious all the time, so much so that it is becoming a matter of national emergency.

I am disappointed that this committee cannot sit during the recess. I think it could do some very effective work if it did meet during that period. I know that all members of the committee will do their best to make recommendations regarding various problems of agriculture, but I do believe we have not the time to do so. Last session we sat but once a week—in the latter part of the session this was in the evening—and then during the entire recess we were not able to meet at all. If it goes on in that way it will be years before we can deal with many problems.

I feel there are certain phases of agriculture that we are not in a position to make recommendations about because—and I think we all recognize this—we are going through a transition period. Production policies have changed, mechanization has become widespread, automation is on the increase, and vertical integration, as some call it, has been with us for a number of years. In these circumstances it is difficult to make recommendations with respect to specific matters relating to production. But I am of the opinion that we could make recommendations in regard to production of certain commodities in areas where they can be produced most economically.

During my first session in the Senate I made a few recommendations in relation to agriculture, and with your permission, honourable senators, I would like to refer to one of them. At that time I recommended—and I still recommend:

> A national Act of Parliament with a broad general application and with sufficient flexibility to apply to all sections of Canada and its operation in any province subject to similar provincial legislation, having to do with water and soil conservation, forest resources, land drainage, irrigation, water control, land use, and so forth.

It seems to me that that is a policy of general application which we could adopt. I hope that if this committee sits it will be given sufficient time to do a real job, because I am not far from the truth in saying that a great many farmers are disappointed in the committee, as they feel we have not presented the recommendations that we should have presented in the four sessions that the committee has been sitting.

In viewing the whole situation I support the views expressed by the former chairman, the chairman last session, and the honourable Leader of the Opposition (Hon. Mr. Macdonald).

I will not now go into the various problems affecting land use, because I may have an opportunity to do so later on. I do think, honourable senators, that these constitute one of the great emergencies facing the Canadian people—not only farmers, but Canadians generally. The committee should devote prompt, serious and careful attention to it, and I hope it will be given plenty of time to do this.

Motion agreed to.

MOTIONS

PROCEDURE

On the Orders of the Day:

Hon. W. D. Euler: Honourable senators, before the Orders of the Day are called, I would like to direct a question, perhaps to His Honour the Speaker, on a matter which may be regarded as trivial, but it has to do with a practice which, if continued, may conceivably interfere with the rights of honourable senators. I have noticed, particularly this session, that whenever an honourable senator makes a motion he almost invariably asks for leave of the Senate.

My contention is, and I think the rules of the house will bear me out, that when a senator is in order under the rules he has the right to move a motion without using the words "with leave".

As I say, this may be regarded as a trivial matter, but many people are governed by precedent, especially members of the legal profession, and if this practice is continued it may eventually interfere with the rights of senators in presenting motions which are in order. I submit that the words "with leave" should not be used when a motion is being presented in accordance with the rules.

PRIVATE BILL

UNITED CANADA INSURANCE COMPANY—THIRD READING

Hon. Léon Méthot moved the third reading of Bill S-7, to incorporate United Canada Insurance Company.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-58, for the relief of Marie Simone Louisette Bellemare Lafond.

Bill SD-59, for the relief of Elisabeth Lebherz Denig.

Bill SD-60, for the relief of James William Neilan.

Bill SD-61, for the relief of Donna Lois Marchand Silverman. (Annulment.)

Bill SD-62, for the relief of Leo Proulx.

Bill SD-63, for the relief of June Laura Welby Leger.

Bill SD-64, for the relief of Dorothy May Kenny Mulcair.

Bill SD-65, for the relief of Margaret Kathleen Graham Lane.

Bill SD-66, for the relief of Hubert Shirley Quartz.

Bill SD-67, for the relief of Claudine Fernande Yvette Thibaudeau Tarride.

Bill SD-68, for the relief of Mary Pirie Wood Hunnisett.

Bill SD-69, for the relief of Marine Tony Jakovich.

Bill SD-70, for the relief of George Henderson.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Thomas Reid: Honourable senators, at the outset of my remarks in the debate on the motion for an address in reply to the Speech from the Throne, I want to make one or two comments regarding two recent speeches we have heard, one by the honourable senator from Medicine Hat (Hon. Mr. Gershaw) and one by the honourable senator from North York (Hon. Mr. Sullivan). I trust that each and every senator, and the people of Canada in general, will take to heart some of the advice on health given by these two eminent doctors. I had to smile at the concluding remark of the honourable senator from North York: "Go take a walk." May I say to him and to all other honourable senators that I personally have been greatly perturbed by the strong trend today of taking the youth off their feet and putting them in cars. I fully believe the future generation is in great danger of losing the use of its legs. A great educationalist touring the world said the difference he found between the requests of students in Toronto and those of students in India was that in India the cry was for more bread, whereas in Toronto it was for more parking space. I say that considering the numbers of children being transported to school today, it is little wonder that the health of our young men is not as good as it perhaps could be.

Hon. Mr. Brunt: What do the children in New Westminster say?

Hon. Mr. Reid: I don't mind my friend's interrupting me, but if he wants a debate on New Westminster youth I will gladly take him on.

The main theme of my remarks today has not much to do with sockeye salmon, but with the great controversy now going on in British Columbia regarding the Columbia River and the generation of hydro-electric power generally.

It is interesting to note, honourable senators, that at a time when Great Britain and the United States are keeping within their budgets, Canada is not. I can speak more freely perhaps than many honourable senators because I sat in the House of Commons and listened to remarks of the then Opposition members who were at that time out to defeat the last Government, which was eventually defeated in 1957. I remember that the great claims of the present Prime Minister and the present Minister of Finance were: Put us in office and we will show you what will be done; we can easily cut $500 million from the expenditures, and reduce taxation.

As I now read the estimates of Government expenditures, I am somewhat amazed at the direction in which we are drifting. This year we find, not a reduction—nor indeed are we trying to balance our budget as the United States and Great Britain are—but an increase of $70 million, besides a general increase in our debt over the past two years of $1,200 million.

A great writer once said, and it bears repeating, that the trouble with the people of Canada today is that they have reached a position in life where they are not shocked at anything. No matter what takes place in life today, the Canadian people seem not to be shocked. Indeed, they are not yet shocked by what is happening to our governmental financial situation. We have placed on the shoulders of future generations a burden of millions and millions of dollars of additional interest payments through action taken with respect to the last conversion loan. Our total debt is now $15 billion.

Perhaps in these days of high finance $15 billion does not seem much, but let us not forget that the interest charges alone have increased by $94 million.

Hon. Mr. Macdonald: Per annum?

Hon. Mr. Reid: Yes, over last year.

Hon. Mr. Beaubien: Have you the total?

Hon. Mr. Reid: The total is $744,400,000. That is the total interest that the people of Canada are called upon to carry.

Hon. Mr. Beaubien: Each year?

Hon. Mr. Reid: Each year until the debt is paid. Until we reduce the debt that is the interest we will pay; and as we make more expenditures and do not balance the budget, our interest charges go up because our debt goes up.

The estimated deficit this year is $393 million. I repeat that, while our two greatest trading countries, Great Britain and the United States, have made every effort to balance their budgets, and are doing so, Canada goes blithely on spending money like —I was going to say like a drunken sailor, and perhaps that is as good an expression as one could use. Our trade deficit is $500 million, and that too is going to place an extra load on our finances.

Well do I remember the accusations made against the last Government in connection with the C.B.C., and I remember too the promises that were made by this Government that it would do something about them, and that it would put its house in order. Yet we find that the estimates for the C.B.C. are increased by $2 million and are now over $70 million. I wonder just how high the C.B.C. expenditures will go. Indeed, I am beginning to wonder, honourable senators, if we are not reaching that stage that was reached in ancient Rome when it was found to be good politics to keep the people entertained. Rome gave them bread and circuses, and we are now providing them with entertainment and social security.

My last thought with respect to this phase is about the Minister of Finance's advice to the Canadian people to increase their rate of saving. I wish he would take some of that advice himself, because he evidently is not doing so. As Charles Lynch wrote:

> The picture is scarcely that of a forward looking, prosperous nation, at grips with its destiny and out to prove that the 20th century does, indeed, belong to Canada. The impression is that while other Western nations may be feeling their oats, Canada is having to scrimp to make ends meet.

I pass from that, honourable senators, to my chief purpose in rising on this occasion, namely, to speak in regard to the Columbia River, with a view to clarifying the problems there and outlining a few facts regarding the river itself.

The Columbia River lies in northeastern British Columbia. It has a length of 1,270 miles, of which 465 miles are in British Columbia. From below the boundary to the sea there are some six or seven dams in the United States section of the river which produce some 6½ million kilowatts. On the Canadian side we have at present four or five smaller dams producing about 500,000 kilowatts.

Under the proposals which have been made and discussed over many years a dam is to be built 200 miles from the boundary in British Columbia at a spot called Mica Creek. That dam will be 740 feet high and will produce a lake 73 miles long, and from it there will be developed, or can be developed, over 1,500,000 kilowatts. This is one effect such a dam would have both on the Canadian side and the American side: on the American side it would increase the 6,500,000 kilowatts now being produced from the Columbia River to 13 million kilowatts, or, in other words, it would double the power now being produced; on the Canadian side it would increase the present 500,000 kilowatts to 2,500,000 kilowatts.

You might ask: "What has the Mica Dam got to do with it?" In the spring of the year the dams downstream overflow when the melting snows start to run, and after that comes a period when the water is cut away down until, in some months, some dams on the lower Columbia in the United States are not operating because of lack of water. The engineers who have been investigating this great scheme have pointed out that the water stored in the wintertime in the ice and snow could be held back and stored behind this great dam. When released it would generate, first of all, at Mica Dam, 1,500,000 kilowatts on the Canadian side, and then go on to help the four or five smaller dams that we have, and finally on to the United States, during the periods when the water would be low, thereby doubling the production of hydro-electric power in the United States and in Canada as well.

Hon. Mr. Horner: May I ask if it is proposed to build this one dam at Mica Creek, or is another large dam to be built?

Hon. Mr. Reid: On the Canadian side we have four smaller dams which would be increased or built up to capture the extra water that would come from Mica Creek at certain seasons of the year, and it is by the addition to these dams that our supply of electricity would increase from 500,000 kilowatts to 2 million kilowatts. It is a magnificent project. It lends itself to the production of great gobs—shall I say?—of electrical energy.

Hon. Mr. Barbour: Do you know the length of this dam that will be 740 feet high?

Hon. Mr. Reid: No, I do not have that figure with me, but I will get it for my honourable friend. From the photographs I have seen I do not think the length of the dam is very great at that point. It is away up a few hundreds of miles from where the river ends, and I do not think the river is wide above the dam.

Negotiations have been going on for years and years. The last time I spoke to the house regarding salmon I pointed out what I believed was a danger to the salmon of the Fraser, for a proposal had been made first of all by General McNaughton, head of the International Joint Commission, to divert the waters from the Columbia through a 17-mile-long tunnel into the Fraser River. I pointed out that this would wipe out the $50 million salmon industry of the Fraser River because in order to divert the water through that mountain tunnel it would be necessary to construct 11 dams on the Fraser. It would not be sensible to merely open up a big tunnel and let the water run down into the Fraser without dams; the idea was to construct 11 dams and build up a lot of power.

I would like to indicate to the house the amount of hydro-electric power that could be made available in British Columbia without even touching the Fraser River. It is estimated that the Peace River dam project, of which I will speak later, could develop 4 million kilowatts; the Liard River in the north could produce 4 million, and the Columbia River could produce another 4 million kilowatts, of which 1½ million would be generated right at Mica Dam, the balance being supplied on a paid-back basis to Canada from the United States in lieu of benefits that country would receive from the extra water delivered from the Mica Dam. This power would be harnessed at Mica Dam and could be kept captive until needed.

The Clearwater River, in northeastern British Columbia, is capable of producing 2 million kilowatts; and the Homathko River, which runs to the coast a little north of Vancouver, could, it is stated, produce 1,200,000 kilowatts.

There are many other rivers from which could be developed a small amount of hydro power, but the ones I have referred to could produce a total of 14 million kilowatts without interfering in any way with the Fraser River.

In a statement to the commission some years ago General McNaughton put it up to the Americans that if they could not reach an agreement Canada would divert the waters of the Columbia to the Fraser in order to help bring about a settlement with the United States.

Something new has entered the picture, in that special interests known as Wenner Gren would like to develop the Peace River project. They have come into the picture and have approached the B.C. Electric and the B.C. Power Commission to sign contracts. As recently as February 4 this year, Mr. Williston, in a speech to the Legistlature of British Columbia, had this to say.

Hon. Mr. Hugessen: Who is Mr. Williston?

Hon. Mr. Farris: He is a cabinet minister, is he not?

Hon. Mr. Reid: Yes, Minister of Lands and Forests of the province of British Columbia. He said he was convinced in 1957 that there never would be an international agreement on a downstream benefit return related to value created, so long as the Americans felt Canadians would be forced to develop the river for their own power needs within ten or fifteen years. He said:

> Any such Canadian development would have destroyed our bargaining position.

This is the most important part of his statement:

> However, as soon as the power potential of the Peace River was known, a change in American strategy became evident.

You can take your choice of that statement or the one made by General McNaughton—in which he is supported by the present Government—that an agreement could not be reached between Canada and the United States and so it was suggested that the water be diverted from the Columbia to the Fraser.

I might point out here that negotiations are proceeding very smoothly at the moment. In fact, I believe the commission is sitting today in Ottawa and will be sitting again tomorrow. Both American and Canadian delegates are present, but I do not suppose any intimation will be given of the results until a much later date.

Incidentally, I would like it to be strictly understood that nothing I say in this debate is intended to interfere with the completion of an agreement between Canada and the United States on the Columbia River.

As I mentioned before, the Wenner Gren interests entered the picture with the Peace River development. Honourable senators may remember that last year a Mr. Mainwaring appeared before a Senate committee and stated for our records that his company, Peace River Power Development Company Limited, was desirous of exporting electrical power to the United States. Well, I am not sure whether his former company, B. C. Electric, is, for he is not connected with it any longer and has become president of

Wenner Gren. His statement to the public of British Columbia now is, "We don't need exports." I wonder what his company will say when they hear the latest news from British Columbia about the B. C. Electric, for it appeared in the newspaper just this morning that B. C. Electric have purchased a coal mine some 40 miles from Bridge River, where their Bridge River hydro lines run from Vancouver, and that they are ready to develop their electricity at the coal mine. They claim—and I have the figures here—that they will be able to produce 2 million horsepower for 50 years. As one of the owners of the mine said, "As long as there is enough coal in this district, the sockeye of the Fraser River are safe."

The people of British Columbia are confused and wondering just what is going to be the end of all this bargaining. In my opinion, it could be some time before a final agreement is reached with the United States, because behind the two statements of what has hindered or helped decisions by U.S. interests to be willing now to negotiate an agreement there is one outstanding fact which has never been made clear to the Canadian public. However, as one who has done some little research, I am in a position to inform honorable senators just where unforeseen trouble might arise now. The six dams on the United States side of the line were built when Roosevelt was President of the United States. Roosevelt was all in favour of public power. Now the picture at Washington has changed. President Eisenhower is against public power. As a matter of fact, he withdrew his Army engineers and put them somewhere else, investigating other hydro developments, and was lukewarm with regard to any agreement with Canada on the Columbia River. In my opinion, the real reason why no agreement has been reached between Canada and the United States is that behind the scenes there is a fight between private and public power, and unless that is resolved there may be no agreement for years to come.

As honourable senators know, in 1930 there was passed in Parliament the treaty setting up the International Pacific Salmon Fisheries Commission. But do honourable senators know that it took seven years before that treaty was signed at Washington, owing to fighting behind the scenes? And I can visualize that there might be fighting behind the scenes between private and public power, because there is more trouble over water problems at the moment among senators and congressmen at Washington than over anything else. There is trouble in connection with the demand for water from Lake Superior by Chicago, and there are two or three other rivers in which the Americans are interested because they want to use water from Canada. I hope there is a settlement soon, but I see no great rush on the part of the Americans to make one. The agreement has all been worked out by officials, but I think it should be understood by senators and by the country in general that the last word in the development of these rivers rests with British Columbia. It is true that the Columbia River flows into the United States, but the 465 miles are under the provincial jurisdiction of British Columbia to a large extent. The same applies to the Peace River. The Minister for External Affairs, the Honourable Howard Green, has said that he is definitely against the development of the Peace River and that no export permit will be given. I am not going to debate that statement of his at all, but I merely wish to make this comment—

Hon. Mr. Macdonald: What would be his reason for taking that attitude?

Hon. Mr. Reid: Well, out in British Columbia they claim this is the biggest political fight that has occurred in years. Perhaps that would answer the honourable senator's question. I am not getting in between the participants if I can help it, other than to say that as far as the Peace River is concerned there is one criticism I make, not about its development, but about the giving away of an empire. I am told, and it has not yet been denied, that no one can get any rights for timber, oil, gas, or minerals in the 1,000 miles of that part of our territory in British Columbia because that area has been promised to the Wenner Gren interests. I am wondering just how many political fights we are going to be in, and if the B.C. Electric are now going to say, "We will not or cannot wait for the Columbia or Peace River power." And they know what they are talking about as far as power is concerned. They were saying only the other day that it might be 1968 before Peace River power will be available. They also said that it might be thirteen years before the Columbia River power would be available.

Hon. Mr. Barbour: Is it not true that it was estimated that the British Columbia Government would get $4 million if this dam were built?

Hon. Mr. Reid: No one can tell what the provincial Government will get. It has been estimated that the dam at Mica Creek will cost at least $500 million, and Premier Bennett has put an estimate of $1 billion on the project. It should be borne in mind that under the agreement we are going to get back 50 per cent of all power developed on the river. No one can say what we will get

from the United States for the flood protection of the Mica Dam. And there is another factor which should not be overlooked. Besides the hydro-electric development in the United States this dam will prevent the great flooding of hundreds of thousands of acres, a problem which up to now has not been solved, and the statement has been made that they are willing to pay Canada $100 million to $150 million a year for 50 years to prevent the flooding of the lands by the building of the dam at Mica Creek. That about completes the story of the Columbia River.

Now I wish to come back to the Government's statement made by the Secretary of State for External Affairs, the Honourable Howard Green, when he was Acting Prime Minister, which clearly showed that Ottawa will not remain passive if Premier Bennett tries to push through any scheme which would prevent development of the Columbia River. This may very well be an election year in British Columbia, and then the cry of provincial rights will be put forward. The one part I do not like regarding the Government's stand, of course, is that the Minister for External Affairs time and time again says, "We will reserve the right or power to divert the water from the Columbia to the Fraser," and that just might very well be used as one of the arguments by American interests for not reaching a final agreement. I hope an agreement will be reached soon. I have been careful this afternoon not to say anything that might be interpreted as likely to interfere with the development. I took a strong stand against diversion of the river, and I am as strongly opposed to it as ever, pointing out to honourable senators that in our rivers in British Columbia we have 14 million kilowatts of hydro power available, if developed, without having to use the Fraser.

Hon. Mr. Euler: May I ask the honourable senator if the federal Government exercises any authority except in so far as navigation is affected?

Hon. Mr. Reid: Yes, it has threatened not to give a permit to export power. It is difficult to see how on the one hand it would allow the export of natural gas while on the other hand prohibiting the export of electricity.

Hon. Mr. Euler: Then the question of navigation would not enter into the matter at all?

Hon. Mr. Reid: No, there is no navigation question at all on the Columbia.

Hon. Mr. Macdonald: When the honourable senator from New Westminster (Hon. Mr. Reid) spoke last session he was very much concerned about the sockeye salmon. Has that problem been resolved?

Hon. Mr. Reid: No; and it will be no problem until there is talk about diverting the waters of the Columbia to the Fraser, or building dams along the Fraser. Up to the present time, because of public sentiment and support, shall I say, belief that the public is behind us, we have been able to preserve that great river for the salmon fisheries, always pointing out that there are other places where ample power can be developed.

Hon. Mr. Lambert: Has the question of diversion of the Columbia into the Fraser become an issue today or is it just a threat? Has it been proposed at all? Is there any likelihood of its being done?

Hon. Mr. Reid: If in the final agreement to be entered into between the Governments of Canada and the United States Canada remains adamant and insists on a provision that at any time we feel like it we will divert the Columbia waters into the Fraser, it will become a red hot issue, because then the threat might be more than a threat. I think that answers the honourable senator's question.

Hon. Mr. Connolly (Ottawa West): If a dam is built at Mica Creek would it be practicable to make the diversion?

Hon. Mr. Reid: Oh, yes. If the dam was built the waters could be siphoned through the proposed 17-mile tunnel into the Fraser River. But if that happens, good-bye salmon. That is why I repeatedly point to the number of other rivers available for power development, and the great amount of power which can be developed in British Columbia without interfering with the Fraser at all. If the Fraser were the only river one would not have the same argument.

Honourable senators, I appreciate the attentive audience I have had.

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

PRIVATE BILL

ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-12, respecting The Algoma Central and Hudson Bay Railway Company.

He said: Honourable senators, the Algoma Central and Hudson Bay Railway Company was incorporated in 1899. It constructed and operates a railway line running north from Sault Ste. Marie, crossing the main line of

the Canadian Pacific Railway at Franz, and crossing the railway lines of the Canadian National Railways at Oba and at Hearst. It also has a branch line running to Michipicoten Harbour on Lake Superior, and through a subsidiary it owns and operates six bulk freighters.

This company defaulted on its bonds about the time of the first Great War, and almost continuously from that time it operated under the direction of a committee of bondholders to whom all the common shares of the company were transferred under the terms of a voting trust agreement.

In 1958 the company applied to Parliament and an act was passed authorizing a financial reorganization of the company. It provided for a new issue of $11 million of first mortgage bonds and debentures and $4 million of preferred shares.

After that act was passed the financial reorganization was successfully carried out. The bonds and preferred shares were sold, and with the proceeds the company paid off its old bonded indebtedness of some $10,300,000 together with arrears of interest of over $5 million, and redeemed its old preferred shares. This was finally accomplished in March of 1959.

The old voting trust agreement was terminated and, at the annual meeting of the company held in April 1959, for the first time in a great many years the shareholders were directly represented at the annual meeting and elected their own nominees as directors.

As might be imagined from the fact that during such a long period the company was under the direction of a bondholders' committee, since April 1959 the company has found some minor difficulties in carrying out the administration in a normal way under the directors elected by its shareholders. This bill is for the purpose of clearing up those minor difficulties. It really deals with matters that concern the internal economy of the company, as honourable members will see as I run over the details of the various amendments.

Subsection 1 of Clause 1 provides for general meetings of the company being held anywhere in Canada. Subsection 2 provides for an increase in the board of directors to a maximum of 15, and under subsection 3 the quorum shall be not less than four directors. Subsection 4 provides for the appointment of alternate directors. Subsection 5 provides for the appointment of an executive committee of the directors. Subsection 6 provides that the foregoing subsections shall apply notwithstanding anything contained in the Railway Act.

Clause 2 of the bill deals with the matter of increasing the capital or the bonded indebtedness of the company. The particular reason for the clause is to remove an unduly restrictive provision that would now require a vote of two-thirds of all the shareholders of the company in order to authorize an increase in the capital stock or an issue of debentures. The company has to apply to Parliament in any event for permission to increase its capital or to borrow any more money, and the provision in clause 2 is to the effect that the application may be approved by a vote of two-thirds of the shareholders present at a meeting, provided that shareholders representing at least 10 per cent in value of the capital stock are present at the meeting or represented by proxy.

Hon. Mr. Macdonald: May I ask the honourable gentleman if there is any intention on the part of the company to use these funds for the purpose of extending the lines of the company? I have reference to the borrowings provided for in this clause.

Hon. Mr. Leonard: There are no actual borrowings provided for in this clause. It is simply an enabling clause. If the company desires at any time later to replace existing debentures or increase the capital stock in any way it will have to apply to Parliament again, and before doing so it will have to obtain approval of the application to Parliament from its shareholders as provided in this clause. The clause would not authorize any borrowing at the present time; it simply provides the procedure to be followed if the company does at any time desire to increase its capital stock or issue debentures.

Clause 3 provides that officers are eligible to be elected directors of the company.

Clause 4 brings the provision as to dividends into conformity with existing accounting practice, by saying that dividends may be paid out of any funds of the company available for that purpose.

Clause 5 provides that proxies need not be under the seal of shareholders.

Clause 6 eliminates the application of section 123 of the Railway Act in dealing with contracts made by a director with the company, and instead brings the company under the provisions of section 96 of the Companies Act, with respect to the general rule that a director must declare his interest in any contract and refrain from voting.

Clause 7 provides that apart from the special provisions of the Railway Act that are contained in this bill, the Railway Act will still apply to the company.

Honourable senators, if the bill receives second reading I will move that it be referred to the Standing Committee on Transport and

Communications, where the president and officials of the company will be available to supply further information.

Hon. Mr. Isnor: May I inquire from the honourable senator whether the provisions as contained in this bill were passed at a general meeting of the shareholders?

Hon. Mr. Leonard: At the end of the explanatory notes to the bill there appears this paragraph:

At a special general meeting of shareholders held on the 8th day of December 1959 a resolution was carried by the unanimous vote of 194,020 shares represented at the meeting in favour of the application to Parliament for the enactment of the present bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to Standing Committee on Transport and Communications.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 141 to 152, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

BILLS—SECOND READINGS

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

Bill SD-71, for the relief of Jean Ludger Villeneuve.

Bill SD-72, for the relief of Robert Marcel Castets.

Bill SD-73, for the relief of Sarah Mary Shirley Collins Stewart.

Bill SD-74, for the relief of Stella Jean Dunn Breitman.

Bill SD-75, for the relief of Klari Margo Farkas Bodo.

Bill SD-76, for the relief of Vera Eileen Rath Croucher.

Bill SD-77, for the relief of Rena Kanofsky Perzow.

Bill SD-78, for the relief of Pearl Thorne Chipman.

Bill SD-79, for the relief of Joan Ethel Brooks Clarke.

Bill SD-80, for the relief of Ann Aaron Regenstrief.

Bill SD-81, for the relief of Eleanor Agnes Overall Cannon.

Bill SD-82, for the relief of Betty Zaracoff Ferstenfeld.

Bill SD-83, for the relief of Kenneth Alan MacKenzie.

Bill SD-84, for the relief of Honoria Evelyn Day Matthew.

Bill SD-85, for the relief of Rene Georges Clement.

Bill SD-86, for the relief of Mary Eva Sheila Redmond Beards.

Bill SD-87, for the relief of Geraldine Anne Mary McElligott Parsons.

Bill SD-88, for the relief of William Gordon Jack.

Bill SD-89, for the relief of Eileen Coates MacPherson.

Bill SD-90, for the relief of Maria Lozinsky Truby.

Bill SD-91, for the relief of Willie Pomerleau.

Bill SD-92, for the relief of Patricia Frances Turley Raustis.

Bill SD-93, for the relief of Mary Jean Olive De Vouge Tremblay.

Bill SD-94, for the relief of Dorothy May Vallis Odell.

Bill SD-95, for the relief of Jimmy D'Abate.

Bill SD-96, for the relief of Mary Semenyshyn Shuch, otherwise known as Mary Semenyshyn Shuck.

Bill SD-97, for the relief of Monique Bauset Malo.

Motion agreed to and bills read second time, on division.

The Senate adjourned until Tuesday, February 16, at 8 p.m.

THE SENATE

Tuesday, February 16, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following reports:

Report of Proceedings under the Trans-Canada Highway Act for the fiscal year ended March 31, 1959, pursuant to section 9 of the said act, Chapter 269, R.S. 1952. (English text).

Report of the Civil Service Commission for the calendar year 1959 of positions excluded from the operation of the Civil Service Act, as required by section 60 of the said act, Chapter 48, R.S. 1952. (English and French texts).

The Canada Gazette, Part II, Statutory Orders and Regulations 1960, Wednesday, February 10, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report of the Unemployment Insurance Commission for the fiscal year ended March 31, 1959, pursuant to section 95(1) of the Unemployment Insurance Act, Chapter 273, R.S. 1952. (French text).

PRIVATE BILLS

COLLEGE OF GENERAL PRACTICE OF CANADA —FIRST READING

Hon. F. W. Gershaw presented Bill S-15, to incorporate The College of General Practice of Canada.

Bill read first time.

Hon. Mr. Croll: Explain, please.

Hon. Mr. Gershaw: Honourable senators, this organization has been in existence for some time, and it feels that it could obtain its objectives better if it were incorporated. The specialists have their incorporation in the Royal College of Physicians and Surgeons, and the Canadian Medical Association is incorporated. The general practitioners wish to improve and maintain a high standard of practice. They will be able to do this by publishing a journal and theses, and also by post-graduate work. No doubt they feel that they need to be incorporated to do that. The College will have nothing whatever to do with the licence to practise medicine, and it is not intended that it shall have buildings and equipment or anything of that kind.

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

Hon. Mr. Gershaw: Thursday next.

MATADOR PIPE LINE COMPANY, LTD.— FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-16, to incorporate Matador Pipe Line Company, Ltd.

Bill read first time.

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

Hon. Mr. Thorvaldson: Thursday next.

NATIONAL SANITARIUM ASSOCIATION— FIRST READING

Hon. T. D'Arcy Leonard presented Bill S-17, respecting the National Sanitarium Association.

Bill read first time.

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

Hon. Mr. Macdonald: Will the honourable senator please explain?

Hon. Mr. Leonard: Honourable senators, the National Sanitarium Association was incorporated in 1896 for the purpose of treating and curing persons affected with pulmonary disease. This is the association that constructed the first sanitarium in Canada, the sanitarium at Muskoka. It also constructed and has maintained the sanitarium known as Toronto Hospital for Tuberculosis at Weston, and the Gage Institute. Owing to the remarkable results that have been accomplished in curing tuberculosis these hospitals now have a good many empty beds. The purpose of this bill is to amend their powers so that they will not be restricted to the care and treatment of pulmonary disease only, but that their beds, facilities and funds may be used for the care and treatment of persons afflicted with any disease whatsoever.

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

Hon. Mr. Leonard: Thursday next.

Hon. W. Ross Macdonald: Honourable senators, on a point of order, may I be allowed a word of explanation? When I requested that this bill be explained, a number of senators asked, "Why, on first reading?" I would point out that under the rules of our house a bill automatically gets first reading when it is introduced. When his Honour the Speaker asks when the bill shall be read the second time, honourable senators would like to know something about the bill before deciding it should be read a second time. It was for that reason I asked that an explanation be given, and I believe this is a very good practice.

The Hon. the Speaker: I believe so too.

MONTREAL LIFE INSURANCE COMPANY—
REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-11, respecting the Montreal Life Insurance Company, and had directed him to report the same to the Senate with one amendment.

Amendment read by the Clerk Assistant:

Page 1, Line 9: Strike out the word "La".

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

Hon. Mr. Hayden: Next sitting.

DIVORCE

REPORTS OF COMMITTEE

Hon Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 165 to 191, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-98, for the relief of Rivka Fridman Nimrod, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel.

Bill SD-99, for the relief of John Frederick Alfred Webster.

Bill SD-100, for the relief of Mary Prukker Wigmore.

Bill SD-101, for the relief of Elizabeth Rudolph Beauchemin.

Bill SD-102, for the relief of Georges Delrue.

Bill SD-103, for the relief of Marie Claire Georgette Cronier Brault.

Bill SD-104, for the relief of Marie Therese Louise Forest Morin.

Bill SD-105, for the relief of Donat Savoie.

Bill SD-106, for the relief of Joseph Arthur Andre Sicotte.

Bill SD-107, for the relief of Stanley Willington Burton.

Bill SD-108, for the relief of Hannah Bitensky Bidner.

Bill SD-109, for the relief of Katherine Elizabeth Moore Shaw.

Bill SD-110 for the relief of Mary Margaret Young Doulton.

Bill SD-111, for the relief of Iris Margaret Leslie Sankey Jolliffe.

Bill SD-112, for the relief of Mary Glen Keirstead Routliffe.

Bill SD-113, for the relief of Helen Balacan Berinbaum, otherwise as Helen Balacan Berne.

Bill SD-114, for the relief of Morris Arthur Bergeron.

Bill SD-115, for the relief of Erica Theresa Schockner Giwertzman.

Bill SD-116, for the relief of Boris Moses Ovrutzky.

Bill SD-117, for the relief of Mac Ravitsky.

Bill SD-118, for the relief of Timothy David Rudston Thomason.

Bill SD-119, for the relief of Anne Smilovitch Portnoff.

Bill SD-120, for the relief of Violet Sandra Miller MacKenzie.

Bill SD-121, for the relief of Reva (Rita) Hutkin Agoston.

Bill SD-122, for the relief of Jean Ann Brown Craig.

Bill SD-123, for the relief of Frances Malofy Marzitelli.

Bill SD-124, for the relief of Louise Dupuis Papineau.

Bill SD-125, for the relief of Georgette Malick David.

Bill SD-126, for the relief of John Priestley.

Bill SD-127, for the relief of Caroline May Alexander Clements.

Bill SD-128, for the relief of Ellen Schwarz Blok.

Bill SD-129, for the relief of Nijs de Vos.

Bill SD-130, for the relief of Lucien Girard.

Bill SD-131, for the relief of Emilia Arcoragi Fisher.

Bill SD-132, for the relief of Michael Kaluta.

Bill SD-133, for the relief of Andre Marsolais.

Bill SD-134, for the relief of Jozefa Lukasiewicz Bielicz.

Bill SD-135, for the relief of Beverley June Russell Ehrhardt.

Bill SD-136, for the relief of Edith Hirsch Distelman.

Bill SD-137, for the relief of Lise Johanne Carreau Wolczecki.

Bill SD-138, for the relief of Charlotte Stilman Shulman.

Bill SD-139, for the relief of Gail Rabinovitch Golden.

Bill SD-140, for the relief of Marie Rose Lucette Durocher Di Iorio.

Bill SD-141, for the relief of Nelson Cyr.

Bill SD-142, for the relief of Ivy Baldwin Collier Wright.

Bill SD-143, for the relief of Joseph Alain Jean Guy Berube.

Bills read first time.

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

Hon. Mr. Roebuck: With leave, next sitting.

PRIVATE BILL

CANADIAN PUBLIC HEALTH ASSOCIATION—THIRD READING

Hon. Harold Connolly moved the third reading of Bill S-9, respecting the Canadian Public Health Association.

Hon. Muriel McQ. Fergusson: Honourable senators, this type of legislation, which enables the Canadian Public Health Association to carry on its benevolent projects more efficiently, is something that all honourable senators will support and it does not need any words from me to secure its passage through this house.

May I say right here, while legislation regarding health and welfare is before the house, that I would like to congratulate and compliment the honourable senator from Medicine Hat (Hon. Mr. Gershaw) and the honourable senator from North York (Hon. Mr. Sullivan) on their valuable contributions to the subjects in the debate on the Speech from the Throne.

The Canadian Public Health Association, which is made up of individuals sincerely and deeply interested in the field of public health and welfare who are desirous of giving voluntary assistance to Government projects for the improvement of public health, was organized and incorporated under a federal statute in 1912, even before there was any full-time public health department in any Government in Canada.

I am sure honourable senators will forgive me if I remind them that my province of New Brunswick has been and still is most progressive in this field of public health. Some senators may not be aware that the honourable senator from Sunbury (Hon. Mr. McGrand) was Minister of Health and Social Services in the New Brunswick Government for eight years, during which time many interesting measures were introduced, including one for the establishment of the first free cancer clinic in any province in Canada. Honourable senators also may not be aware that in 1918 New Brunswick set up, under the Honourable Dr. W. F. Roberts as Minister, the first full-time Department of Health, with cabinet status, in any Government in the then British Empire. We are proud of our record in this regard.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-71, for the relief of Jean Ludger Villeneuve.

Bill SD-72, for the relief of Robert Marcel Castets.

Bill SD-73, for the relief of Sarah Mary Shirley Collins Stewart.

Bill SD-74, for the relief of Stella Jean Dunn Breitman.

Bill SD-75, for the relief of Klari Margo Farkas Bodo.

Bill SD-76, for the relief of Vera Eileen Rath Croucher.

Bill SD-77, for the relief of Rena Kanofsky Perzow.

Bill SD-78, for the relief of Pearl Thorne Chipman.

Bill SD-79, for the relief of Joan Ethel Brooks Clarke.

Bill SD-80, for the relief of Ann Aaron Regenstrief.

Bill SD-81, for the relief of Eleanor Agnes Overall Cannon.

Bill SD-82, for the relief of Betty Zaracoff Ferstenfeld.

Bill SD-83, for the relief of Kenneth Alan MacKenzie.

Bill SD-84, for the relief of Honoria Evelyn Day Matthew.

Bill SD-85, for the relief of Rene Georges Clement.

Bill SD-86, for the relief of Mary Eva Sheila Redmond Beards.

Bill SD-87, for the relief of Geraldine Anne Mary McElligott Parsons.

Bill SD-88, for the relief of William Gordon Jack.

Bill SD-89, for the relief of Eileen Coates MacPherson.

Bill SD-90, for the relief of Maria Lozinsky Truby.

Bill SD-91, for the relief of Willie Pomerleau.

Bill SD-92, for the relief of Patricia Frances Turley Raustis.

Bill SD-93, for the relief of Mary Jean Olive De Vouge Tremblay.

Bill SD-94, for the relief of Dorothy May Vallis Odell.

Bill SD-95, for the relief of Jimmy D'Abate.

Bill SD-96, for the relief of Mary Semenyshyn Shuch, otherwise known as Mary Semenyshyn Shuck.

Bill SD-97, for the relief of Monique Bauset Malo.

Hon. Jean-François Pouliot: Honourable senators, before these bills are read the third time I wish to bring to your attention a few points which are worth consideration. But first may I say that my honourable colleagues may be surprised to learn how much interest the Canadian people at large take in the proceedings of the Senate. In discussing the divorce bills I am not looking for any publicity, but the *Senate Debates* are widely read. You will be surprised, Mr. Speaker and honourable colleagues, when I read to you a letter that I received from a gentleman, whom I do not know, who lives at Flin Flon, Manitoba:

Honourable Sir:

re: Debates of Senate

Vol. 108 #10, Dated Feb. 3/60

From your remarks on page 100, I take it that you are opposed to any reforms to wider grounds for divorce. In that you have my support. How can I be of any help to defeat such a measure either in the Senate or the House of Commons.

Also in the *Senate Debates* Vol. 108 #11, Feb. 4th, page 109, you have presented to certain members extracts from *Confederation Debates* pertaining to marriage and divorce, will these be read into the *Senate Debates*? If not, could I procure a copy of the same?

Hoping to hear from you at your earliest convenience. I thank you for hearing me.

Respectfully yours,

I have received other letters like this one, and it is comforting to realize that our fellow citizens are showing a deep interest in what is said in the Senate. And this is not an exception. I will not take the time of this honourable house by reading any more letters, but honourable senators might be surprised at the attention that has been paid by the Canadian public at large to what is said right here—and it is well-deserved recognition of what is said when my colleagues are addressing this house.

I will not read all the extracts that I have made from the *Confederation Debates* of 1865, copies of which extracts I have sent to you, Mr. Speaker, and to the honourable leaders and honourable chairman of the Divorce Committee. I have not the facilities to have more copies made of those important papers, but later, on another occasion, I may familiarize the house with what was said a long time ago by those gentlemen who have been called the Fathers of Confederation. They were the lawmakers, and it was in their day that the Constitution of our country took shape. It is most interesting to realize what was their viewpoint, because it is on account of that that the Divorce Committee of this honourable chamber deals with divorce petitions now. It is because of the opinions and the will of those gentlemen that Parliament passes legislation to grant divorces that are legally valid. I will quote the then Prime Minister, the late Sir Etienne Pascal Taché, who was also Receiver General and Minister of Militia. In answering one of his colleagues he said, as appears in the *Confederation Debates*, at page 344:

If the honorable gentleman will but take his pen, he will be able to note my answer: "The word 'marriage' has been inserted to give the General Legislature the right to decide what form of marriage will be legal in all parts of the Confederation without in any way interfering with the rules and prescriptions of the Church to which the contracting parties belong."

Sir Georges Etienne Cartier, who was Attorney General for the East, or for Lower Canada, was no less explicit. He said:

But the nullity of the marriage must first be proved to the satisfaction of the ecclesiastical authorities and under the Canon Law, and then Parliament might only do it on that evidence, for it would be omnipotent.

The Honourable Mr. Dorion, who was Liberal leader at the time, interjected this remark:

Then, the federal Parliament will be omnipotent.

And Attorney General Cartier said:

Yes, in that respect.

This is to be found at page 692 of the *Confederation Debates*.

Those who have read these official documents and who have considered what was said also by another of the Fathers of Confederation, Sir Hector Langevin, must have noticed that the reason why they were giving jurisdiction to the Parliament of Canada over marriage was to have uniformity in the celebration of marriage in each province. Unfortunately, I must say, later on it proved to be only a pretext. But if we look at the concluding part of that debate to be found in the last pages of the *Confederation Debates* of 1865, we realize that the provinces had not one iota of rights in the Address that was voted to be sent to the Queen asking for a Constitution. It happened on March 13, 1865. In the Address to Her Majesty containing a draft of Confederation, there is, in the first place, an enumeration of the powers of the general Parliament. Section 29 reads as follows:

The General Parliament shall have power to make Laws for the peace, welfare and good Government of the Federated Provinces (saving the Sovereignty of England), and especially Laws respecting the following subjects:—

And then follow 37 paragraphs, each dealing with a particular subject. Paragraph 31 reads:

31. Marriage and Divorce.

Section 32 reads:

All Courts, Judges, and Officers of the several Provinces shall aid, assist and obey—

Mark you, they use the word "obey". Obey whom?

—the General Government in the exercise of its rights and powers.

And for such purposes shall be held to be Courts, Judges, and Officers of the General Government.

Pardon me, honourable senators, but I find it formidable that at that time the provincial judges were supposed to "aid, assist and obey"—I repeat obey—"the general Government in the exercise of its rights and powers, and for such purposes shall be held to be courts, judges and officers of the general Government".

According to this, it was not justice that had to prevail, it was the will of the central Government.

Now, I will read the powers of the local legislatures. Section 43 says:

The Local Legislatures shall have power to make Laws respecting the following subjects:

15. Property and civil rights excepting those portions thereof assigned to the General Parliament.

That is now the Parliament of Canada.

Section 45 says:

In regard to all subjects over which jurisdiction belongs to both the General and Local Legislatures, the laws of the General Parliament shall control and supersede those made by the Local Legislature, and the latter shall be void as far as they are repugnant to or inconsistent with the former.

And it is to be noted, honourable colleagues, that in that Address there was no reservation whatever to give to the local legislature any jurisdiction with reference to marriage and divorce, nor even for the solemnization of marriage.

Well, the stand taken by the Fathers of Confederation that they were keeping for the central Government jurisdiction over marriage in order to have uniformity was just a pretext. But there it is not mentioned —it appeared later on in the British North America Act. At the time of the Confederation debates, or at the time when the Address was voted by United Canada to have a new Constitution the provinces had no jurisdiction over the celebration or solemnization of marriage as they have now.

Now we come to the British North America Act. I have some other documents to bring to the attention of His Honour the Speaker, the honourable leaders, and the honourable chairman of the committee. I am sure they are familiar with them, but in order not to be misunderstood I would like to be permitted to read that part of the Constitution which concerns marriage. I refer to Part VI of the British North America Act, 1867, entitled "Distribution of Legislative Powers," sub-titled "Powers of the Parliament".

91. It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively—

Mark you exclusively.

—to the Legislatures of the Provinces, and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act) the exclusive—

Mark you, exclusive—

—Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated: that is to say—

I give two subjects only:

21. Bankruptcy and Insolvency.

26. Marriage and Divorce.

That section concludes with these words:

And any Matter coming within any of the Classes of Subjects enumerated in this Section shall not be deemed to come within the Class of Matters of a local or private Nature comprised in the Enumeration of the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces.

Now appears the sub-title "Exclusive—" mark you, exclusive—"Powers of Provincial Legislatures".

92. In each Province the Legislature may exclusively—

Now mark you, exclusively—

—make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say—

I quote from paragraphs 12 and 13.

12. The Solemnization of Marriage in the Province.

13. Property and Civil Rights in the Province.

The B.N.A. Act contains another section which has been wrongly interpreted because the first seven words of that section have not received the attention they deserve. I refer to section 129, a most important section of the act because it refers to legislation that was in existence at the time of Confederation, whereas sections 91 and 92 were for future legislation. Section 129 is altogether different, therefore, it should have preceded sections 91 and 92 of our constitution. Let us read section 129:

Except as otherwise provided by this Act—

Those are the seven words to which I referred a moment ago.

—all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union, and all Courts of

Civil and Criminal Jurisdiction, and all legal Commissions, Powers, and Authorities, and all Officers, Judicial, Administrative, and Ministerial, existing therein at the Union, shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made—

That is the first part of the section. It means that all the laws in force in Canada—and Canada means Upper and Lower Canada, and the provinces of Nova Scotia and New Brunswick at the time of Union—remained in force as if the Union had not been made, except as otherwise provided for by this act.

That section was drafted in haste, and that is the reason why the second part is perhaps difficult to understand. But its meaning is obvious. I quote the second part:

—subject nevertheless (except with respect to such as are enacted by or exist under Acts of the Parliament of Great Britain or of the Parliament of the United Kingdom of Great Britain and Ireland,) to be repealed, abolished, or altered by the Parliament of Canada, or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

If we are not to tear up sections 91 and 92, then the only meaning of the second part of this section is that the federal Parliament was to be empowered to repeal or amend legislation that had come within federal jurisdiction by virtue of the new Constitution. On the other hand, the provinces had no right to amend legislation that came under federal jurisdiction, but they had the right to amend or repeal legislation that had remained within provincial jurisdiction. I hope I have made myself clear.

There was a considerable amount of carelessness in the drafting of that section, but any section of the law must be interpreted in its entirety and according to the context of the other adjoining sections in the same statute. This is very important. There were courts of divorce in Nova Scotia and in New Brunswick; there were none at the time in either Lower or Upper Canada. The question is: Did those provinces of Nova Scotia, New Brunswick and, later on, Prince Edward Island, join Confederation with the understanding that they would keep their legislation concerning divorce courts? If one reads section 129 of the British North America Act without prejudice, and without having one's mind deformed by fallacious jurisprudence, it is impossible to deny that the provinces that were joining Upper and Lower Canada at the time of Confederation were bound by the British North America Act and could not legally maintain their courts of divorce, because the jurisdiction with respect to those matters was attributed exclusively to the Parliament of Canada. That is one important point.

I submit that there is no provision with regard to the jurisdiction of the tribunals, and even if those courts had existed since Confederation they would not be any more valid and the divorces that have been granted by them would still be *ultra vires*. I would say the same thing with respect to the province of British Columbia and the other western provinces.

I now have to mention a very important judgment of the Privy Council. It is in the matter of a reference in 1912 to the Supreme Court of Canada of certain questions concerning marriage. The case covers some 350 pages of one volume of *Supreme Court of Canada Reports*. The judgment of the Privy Council, which was rendered by Lord Haldane, an eminent jurist and who had a great reputation in Great Britain during his lifetime, is summarized in (1912) *Appeal Cases*, page 880, as follows:

Under sections 91 and 92 of the British North America Act, 1867, the exclusive power conferred on the provincial Legislature to make laws relating to the solemnization of marriage in the province operates by way of exception to the exclusive jurisdiction as to its validity conferred upon the dominion, and enables the provincial Legislature to enact conditions as to solemnization, and in particular as to the right to perform the ceremony, which may affect the validity of the contract.

This refers implicitly to the meaning of the words "exclusive" and "exclusively" which are found so often in sections 91 and 92. What happened was that in 1910 or 1911 a member of Parliament sponsored a bill concerning the celebration of marriage which caused worry to the Government of the time, and it did what it had to do. It submitted the case to the Supreme Court of Canada. The answer of the Supreme Court of Canada was that that bill would be *ultra vires* of Parliament, and the Privy Council maintained the decision. If it is true that the Parliament of Canada has no jurisdiction whatever over the solemnization of marriage, in virtue of the Constitution of Canada, we have to conclude for the same reason that the provinces and the provincial courts—such as the Supreme Court of Ontario, which is a tribunal of provincial jurisdiction—have no authority whatever over matters that are excluded from their jurisdiction by the British North America Act.

Honourable colleagues will answer me that there are courts of divorce in the province of Ontario. A bill was passed by Parliament in 1930 to establish divorce courts in the province of Ontario. Honourable senators, I wonder if you have had time to look at the first two volumes of the Commons *Hansard* of the first session of 1930, where the whole discussion is reported. You could go one year farther back and consult the Commons *Hansard* of 1929, and there you would see that the very same legislation was introduced

by, if I remember well, a member of Parliament who belonged to the United Farmers of Alberta. That bill to establish divorce courts in Ontario was defeated in 1929. Similar legislation was brought in again at the following session and there were strong objections, but not on party lines. There were Conservatives and Liberals who favoured the measure, but there were Conservatives as well as Liberals who opposed it. I for one had the opportunity, and I used it, to vote eight times against this single legislation. There were various motions to push it aside, to give it the six-months' hoist, et cetera. Once the bill was defeated, in 1930, by the Speaker's vote, but afterwards there was a small majority in favour of the bill and it passed.

Was that legislation valid? I understand it was difficult for the Government of the time, when the bill was passed, to refer it to the Supreme Court of Canada because we were on the eve of an election and both parties could have used that opportunity to make exaggerations, but Mr. R. B. Bennett was strongly in favour of the bill. It may explain why no reference was made after the election, to the Supreme Court of Canada to test the validity of that bill. My leader, Mr. Mackenzie King, took no part in the debate and remained outside of it. But Mr. Lapointe, then Minister of Justice, mentioned that there were objections from many angles, especially from the constitutional angle.

If the Constitution means something and marriage and divorce are exclusively within federal jurisdiction, was it possible for the Parliament of Canada to create divorce courts in the province of Ontario? It seems quite out of the ordinary. Since then thousands of divorces have been granted by the courts of that province. The question that is in our minds is: are they valid or are they *ultra vires*? Are they a nullity? It is a big question. The other day when I heard my honourable and distinguished friend the Leader of the Government (Hon. Mr. Aseltine) say he knew what I had in mind, I told him that he did not. What I have in mind is to establish our position as lawmakers in order that never again may we have any legislation that is just an illusion, legislation that gives people the illusion of a right. It is a matter of very great concern.

The judges take the law as it is and it is for the members of the legal fraternity to bring the judges' attention to the constitutional aspect of any law. Unfortunately, according to my knowledge, everyone has taken the law for granted and has not considered it with regard to the Constitution. Some day I will give more details about the legislation of 1930 that established divorce courts in the province of Ontario. You will realize, Mr. Speaker and honourable colleagues, that it was not a matter of playing politics; it was a union of a group of men who belonged to both parties, but who unfortunately were not numerous enough, who fought that legislation. It is now history. I thank you, honourable colleagues, for having listened with so much attention to that exposé with regard to the law. We must endeavour by all means to amend it if we want to have legislation that stands up and that is worthy of our country and of you, honourable colleagues.

Hon. Vincent Dupuis: Honourable senators, first of all we must admit that my good friend delivered a very well-prepared speech, for which he must be congratulated. However, I find it very difficult to reconcile his attitude with what he said when he spoke on the question of divorce on February 3 last, in this house, as reported in *Hansard* at page 100, column 2:

> It is a tremendous question, and we come to the point that the only possible way to deal with the matter is to transfer jurisdiction over family rights, over marriage, which at present is in the Parliament of Canada, to the provincial Legislatures.

If I follow his argument of this evening correctly, I understand he wants that jurisdiction to be taken away from the Legislatures and given back to the Parliament of Canada. I would like him to explain that, because I do not understand his point.

Hon. Mr. Pouliot: I thank my honourable colleague. What he said is very far from my mind, and I must tell him that I have not finished my exposé. However, I presume it is long enough for this evening, but my intention is to give it drop by drop, in order to convince my honourable colleagues.

Hon. Mr. Aseltine: Can't do it!

Hon. Mr. Pouliot: Oh, no? Oh, no? Time will tell. This matter deserves to be discussed seriously until we come to some understanding that will settle the question forever. I have the greatest respect for my colleagues, all of them, and I want them to be free men and free women.

The Hon. the Speaker: Is the honourable senator answering the question that was put to him?

Hon. Mr. Pouliot: Yes, Mr. Speaker.

This is why I hope that in a future day that is not too distant divorce legislation will be banned from the Parliament of Canada.

Hon. Arthur W. Roebuck: Honourable senators, as I moved the third reading of the bills in question, honourable senators will bear with me if I make one or two remarks in reply to my honourable friend from De la Durantaye (Hon. Mr. Pouliot).

My first remark is to compliment my honourable friend on the industry with which he prepared his very learned and erudite address of this evening. My second remark is not so complimentary, perhaps not so acceptable. It is to raise the question, Mr. Speaker, of the propriety of an address of this kind on a motion to pass specific bills with regard to divorce. The address was not directed to any bill; no information was given us with regard to the bills; no thoughts were expressed which would tend to lead us to pass or to reject the bills. I humbly submit that an address of that kind, which is the first drop in perhaps a bucket of water—

Hon. Mr. Brunt: A couple of buckets.

Hon. Mr. Roebuck: —is not properly delivered on such an occasion as this. If the honourable gentleman would like to discuss at great length the subject of marriage and divorce, the constitutionality of provincial courts, and various things of that kind, I suggest he should originate such a debate in the form of a resolution of some kind, or a bill or what not, in order to bring it properly before this house, in which event the rights of debate would be governed by our rules. I submit that it is not the custom of this house, nor is it parliamentary procedure, to divide a debate into as many drops of water as there are motions from time to time in the routine proceedings of the house.

Perhaps my friend will pardon my presumption in suggesting that he was out of order.

Honourable senators, I found it a little difficult, like my good friend who just preceded me, (Hon. Mr. Dupuis), in determining in my own mind just what the purpose and the finality of the honourable gentleman's argument might be. I think he wished to prevent us from being led astray by what he regarded as fallacious jurisprudence. The jurisprudence in question consists of decisions of the Supreme Court of Canada and the decisions of the Privy Council in Great Britain. If my friend believes that the constitution of the courts of the province of Ontario to which he referred is beyond the jurisdiction of the dominion Parliament, the place to argue that question is in the Supreme Court of Canada, not these legislative halls. We are not likely to take any procedure which will change the present situation, even with regard to the divorce court. Taken on the basis of public good, the courts of Ontario handle some 1,500 to 2,000 divorce cases per year, and it is not likely that this chamber will take any action which would prevent that number of litigants from having their rights determined by a provincial court.

However that may be, I rather think that the purpose of my friend's argument, or the portion of his argument which we have heard this evening, is directed toward the suggestion which he made on the first drop of his argument last week, when he advocated that marriage and divorce, or at least divorce, should be placed within the jurisdiction of the provincial Legislatures and that honourable senators should pass a resolution asking the imperial Parliament to change our Constitution to that effect.

It was in support of that idea that he presented to me—and I thank him for it and am highly appreciative of the honour—and to the two leaders a memorandum of extracts from the *Confederation Debates*, a book which is in the library of Parliament.

Honourable senators will remember that when he spoke last week I replied to him, saying that the Fathers of Confederation decided this question and had reserved marriage and divorce to the jurisdiction of the Parliament of Canada in order to protect the minorities in all provinces, and particularly in the province of Quebec.

I would ask your pardon if I read some excerpts from the honourable gentleman's own memorandum on this question.

With regard to marriage—and my friend goes so far, I think, as to attack the validity of the dominion Parliament's legislation with respect to marriage—I read from page 8 of his memorandum. He has already quoted the Honourable Mr. Langevin, who was Solicitor General. The Solicitor General read this clause setting out how the word "marriage" was proposed to be understood:

> The word marriage has been placed in the draft of the proposed Constitution to invest the federal Parliament with the right of declaring what marriages shall be held and deemed to be valid throughout the whole extent of the Confederacy, without, however, interfering in any particular with the doctrines or rites of the religious creeds to which the contracting parties may belong.

I call your attention to the words, "validity throughout the whole extent of the Confederacy".

The Solicitor General goes on to say:

> The whole may be summed up as follows:—
> The central Parliament may decide that any marriage contracted in Upper Canada, or in any other of the Confederated provinces, in accordance with the laws of the country in which it was contracted, although that law might be different from ours, should be deemed valid in Lower Canada, in case the parties should come to reside there, and vice versa.

In other words the reason for giving jurisdiction over marriage to the dominion Parliament was to ensure that we have uniform laws with regard to marriage, so that a marriage contracted in Lower Canada should be valid in Upper Canada and a marriage contracted in Upper Canada should be valid in Lower Canada, or in any of the other provinces which at that time or later on were to become part of the Dominion of Canada.

The importance of that subject, of that decision, and of the reason for the decision, is obvious to everyone within the sound of my voice.

Now, divorce is to some extent in the same position.

At a little later date the Honourable the Solicitor General of that time, in advocating Confederation, again read that clause that I have just recited, and the report goes on in this way:

Hon. Mr. Dorion: Will a local Legislature have the right of declaring a marriage between parties not professing the same religious belief invalid?

Hon. Attorney-General Cartier: Has not the Legislature of Canada now the power of legislating on that matter, and yet has it ever thought of legislating in that way?

The Attorney General was pointing out that a general Legislature such as that of Canada at that time, or of the Parliament which it was proposed at that time to constitute, would not legislate in a partisan way, or according to the dictates or prejudices of any sect or religious group. And that, of course, has been our experience. Then the Honourable Mr. Remillard, of Bellechasse, made these remarks, which have the same application today as they had in those times:

At the present day, all the Catholic members from Lower Canada are opposed to divorce as a matter of expediency and of conscience, and yet, even in the existing Legislature, they cannot prevent it. Why, therefore, blame the Government for not having prevented in the federal Parliament that which they cannot even prevent here?

After an interruption he continues:

Has it ever been very easy to impose in Lower Canada laws upon the English inhabitants of that province, and to prevent them from obtaining what they consider as a right? No; it would have been an act of injustice to endeavour to force our opinions on this subject on the English and Protestant population of Lower Canada; and if an attempt had been made to do so, Confederation would probably have failed, because the majority of the members of the Conference would have maintained their claims, and this would have been sufficient to prevent Confederation. There can be no doubt but that the bishops and the clergy have consulted together respecting this article, and that they came to the conclusion that it is an evil which there are no means of preventing. I have confidence enough in the clergy and bishops of Lower Canada to believe that if that clause, on which so much stress is laid, was of a nature to do any injury to our religious interests, they would loudly exclaim against it and have justice done us. Our bishops are not in the habit of standing in fear of the civil authorities, when their duty calls them to defend the interests which are entrusted to them.

He is arguing that this clause giving jurisdiction over divorce to the Parliament of Canada had not been opposed by the bishops and other authorities of the Roman Catholic Church at that time.

Then Mr. Harwood goes on to say:

If the control of matters connected with marriage and divorce had been assigned to the local governments, what would have been the fate of our coreligionists in Upper Canada, who are in a minority in that province?

There was a minority of Roman Catholics in Upper Canada just as there was a minority of Protestants in Lower Canada.

He continued:

Moreover, everybody is aware that it was by the help of the Protestants, who think as we do on this subject, that we have hitherto escaped the passing of a divorce law. Divorce is not looked upon with a favourable eye by all Protestants; far from it... We must bear in mind, also, that there are Catholics elsewhere besides in Lower and Upper Canada; they are to be found in all the Lower Provinces, and what would be their position if these questions were left to the local legislatures. The Catholics, therefore, of both Upper and Lower Canada, as well as those of the Lower Provinces, are directly interested in the removal of these questions from the local legislatures. It seems to me that every man who studies this question in a Catholic point of view, as it stands in the five provinces, will find that the conference was perfectly right in not leaving the question of divorce to the control of the local governments.

I take that quotation from my friend's own memorandum. Why he supplied it to me, I do not know, in view of the argument he has placed before us. But the facts of those days are the facts of today. We in this house have always been considered the protectors of minorities. Surely we are not now to be asked to leave the minorities on this question in the various provinces, be they Protestants or Catholics, entirely to the mercy of the various majorities in the provincial legislatures.

The same consideration, which apparently moved the clergy in those days to consent to and not to oppose the present Constitution with regard to divorce, I have no doubt actuates them today. I have not heard the leaders of any church asking that this subject of divorce be left to provincial Legislatures. I am sure we would be doing a very great disfavour to all the religionists in every province were we to listen to arguments of that kind.

Thank you, honourable senators.

Hon. Mr. Pouliot: Honourable senators, may I be permitted to make a correction?

The Hon. the Speaker: The correction, if it is made, should be very brief. I agree that this debate is out of order. I did not

so rule, because no objection was made to it. When the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) made an objection I did not rule it out because I wanted to give him a chance to answer, which was only fair.

When the next "drop" comes in this debate —now that we know the dimensions it is taking—I think the honourable senator from De la Durantaye (Hon. Mr. Pouliot) should introduce a bill to amend the 1930 legislation dealing with the establishment of divorce courts within the provinces, or a resolution of some kind to bring the matter formally before the house.

Hon. W. Ross Macdonald: Honourable senators, on the point of order, I have no doubt that His Honour the Speaker is correct in his ruling. However, I may say that ever since I have been a member of this house an honourable senator has been given an opportunity to speak at almost any time and on any subject. I came to this house directly from the House of Commons where the rules, as you know, are strictly adhered to, and I was under the impression that the same procedure was followed here. But I was advised in no uncertain terms that in this house the rules are followed according to the spirit and not the letter. The result is that we are frequently out of order under our rules. This, of course, is not the first time the rules have been abridged.

I quite agree with His Honour that this is not a desirable practice. My objection is due particularly to the fact that we come into this house tonight, for instance, expecting to debate certain matters which are on the Order Paper. I presume the honourable senator from St. John's East (Hon. Mr. Higgins) had expected to speak tonight in the debate on the address in reply to the Speech form the Throne. We had expected to hear him, but it is now so late an hour that he may not feel inclined to speak.

I have been placed in the same position myself, in that I have on occasion come into the house expecting to make a speech on a certain subject and some other honourable senator has raised another question and debated it for about a half hour—on one occasion I think the debate lasted an hour. While I did not feel much like speaking at that time, I did speak, and I believe I made an even worse speech than I am accustomed to.

The Order Paper carries a notice by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) that on Thursday next he will draw to the attention of the Senate the fact that this year marks the bicentenary of the arrival of the first Jewish settler in Canada. I presume that if the honourable senator had risen in his place on Thursday next without notice, and proceeded to bring this subject to the attention of the house, no one would have objected to it. In that event we might have debated it for an hour that day. But he has taken the proper course by giving notice that he will bring that matter to the attention of the house on Thursday.

I quite agree with His Honour the Speaker that if an honourable senator intends to discuss a subject which is not on the Orders of the Day, it would be preferable if he did so by way of a motion or a bill or notice of what he intends to discuss.

The Hon. the Speaker: Honourable senators, with regard to the point of order raised, I have always understood that if no objection was made it was the spirit of the house that the debate should be allowed, assuming, of course, that it is so allowed with the full consent of honourable senators. Had an objection been made to this debate I would certainly have sustained it and ruled the debate out of order. I believe that is what should be done. Therefore, unless objection is made, the Chair will take for granted that debate is going on with full consent of the Senate.

With regard to the unexpected happening in the Senate, I do not believe that that is a bad thing.

Hon. Mr. Pouliot: Honourable senators, I wish to make a correction. I sent copies of official papers which I have read in order that Your Honour, the honourable leaders and the honourable Chairman of the Committee could peruse them and know what the discussion was about. What my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) has read from was not a memorandum but extracts from the *Confederation Debates*.

Motion agreed to and bills read third time and passed, on division.

PRIVATE BILLS

CANADIAN REASSURANCE COMPANY—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-13, respecting the Canadian Reassurance Company.

He said: Honourable senators this is an act to incorporate a company under the name of Canadian Reassurance Company and, in French, Compagnie Canadienne de Réassurance.

The incorporators of the company are merely provisional directors, and I will say a word or two in a few moments in regard to the intended ownership of the company.

The capital stock of the company is to be $1 million which may be increased to $3 million, and the amount to be subscribed before the general meeting for the election

of directors is called is $1 million. In fact, the company proposes to pay into surplus another $1 million.

The head office of the company is to be in the city of Toronto in the province of Ontario, and the company is incorporated for the purpose of making contracts of life insurance, personal accident insurance and sickness insurance. However, I am informed that the company will restrict its activities entirely to reassurance; that is to say, this company does not propose to go to the public and sell policies directly to it. It is entirely a reassurance company.

Hon. W. Ross Macdonald: But it is empowered to sell contracts?

Hon. Mr. Thorvaldson: Yes, it is empowered to do so, but that is the information I have been given. This will be the only company incorporated in Canada which will carry on the business of reassurance in the field of life insurance.

Hon. Mr. Brunt: Are there any companies incorporated outside of Canada carrying on that business within Canada?

Hon. Mr. Thorvaldson: Yes. There is a great deal of reinsurance done by Canadian companies with companies in other countries. I will come to that in a moment. I will name a company which, indeed, will be a sister company to this one, namely, a reinsurance company incorporated in the United States. When I say "a sister company" I mean a company which is owned by the intended owners of this company.

Hon. Mr. Macdonald: Are there other Canadian companies which are doing reinsurance business?

Hon. Mr. Thorvaldson: I will just carry on if you will allow me, but I will have something to say in that regard in a moment. The owners of this company will be a corporation by the name of Swiss Reinsurance Company of Zurich. This is the largest purely reinsurance company in the world. It also owns a company called Canadian Reinsurance Company, which reinsures fire, casualty and marine risks. The company being incorporated by this bill has a quite similar name. There is only a very slight difference, the name of the company being incorporated by this bill being Canadian Reassurance Company. However, the usual consent has been filed by Canadian Reinsurance Company to the incorporation of this company under so similar a name. The reason for the consent, of course, is the fact that both these companies will be owned by the same parent company, namely, Swiss Reinsurance Company of Zurich.

I told the honourable senator from Hanover (Hon. Mr. Brunt) a moment ago that I would say a word in regard to other reinsurance companies in Canada. As far as I know the only other reinsurance company of any kind incorporated in Canada is the one I have just referred to, Canadian Reinsurance Company.

Hon. Mr. Macdonald: Did I understand my honourable friend to say that company does fire and casualty insurance?

Hon. Mr. Thorvaldson: Yes, that company reinsures fire, casualty and marine risks only.

This company will be governed by the Canadian and British Insurance Companies Act, and the certificate of registry which will be granted by the Department of Insurance will restrict the business of the company to reinsurance. That is the information I have received from Mr. K. R. MacGregor, Superintendent of Insurance. Consequently, although it would appear from this bill that this company will have the power of an ordinary insurance company, its business will be restricted to reinsurance by the Department of Insurance.

The proposed incorporation has been discussed and approved by Mr. MacGregor and his department.

The majority of the directors will be Canadian citizens, ordinarily resident in Canada. The company will be managed by a Canadian, Mr. Robert R. Gallagher, F.S.A. Mr. Gallagher has for seven years been engaged with a company called North American Reinsurance Company. I have no doubt that many honourable senators have heard of this company. It is a very large reinsurance company, whose head office, I believe, is in the city of New York. That company also is owned by the Swiss Reinsurance Company of Zurich, the owners of the company now being incorporated.

It is proposed that the company to be incorporated by this bill will commence to do business in May 1960.

Honourable senators, I hope that my explanation of this bill has been complete enough, but if there are any questions that I can answer, I shall be happy to do so.

Hon. Mr. Hayden: Is my honourable friend suggesting that the Superintendent of Insurance will issue this restrictive certificate without even a request from the company for such a restriction on its operations?

Hon. Mr. Thorvaldson: My understanding is that the company desires to be only in the business of reinsurance and it has requested that it be restricted accordingly.

Hon. Mr. Hayden: At this time?

Hon. Mr. Thorvaldson: Yes, at this time.

Hon. Mr. Crerar: Honourable senators, it seems to me that that point needs clearing up. By the powers given in section 7 it is quite clear that the company may make contracts of life insurance, personal accident insurance and sickness insurance; that is, it may engage in those types of business. So far as I have been able to ascertain in a hasty reading of the bill, there is nothing that would even commit the company to reinsure.

Hon. Mr. Hayden: Except the name.

Hon. Mr. Crerar: Except the name, and that would scarcely do it.

Hon. Mr. Hayden: No.

Hon. Mr. Crerar: If, as the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) said, the intention of the promoters is to engage in reinsurance only, why not state that in the legislation? I am not going to oppose the measure tonight but I think when it goes to committee this point should be cleared up. As a matter of fact, there are various ways today by which the classes of insurance mentioned here can be covered by reinsurance, but I again point out to the house that there is nothing in this bill that even hints, except in the title, that the business of the company is to be reinsurance and not the active business of life insurance, personal accident insurance or sickneess insurance.

Perhaps as the years have passed we have become a bit careless in defining our legislation. I belong to the school that believes that legislation should clearly set out the limits of its purpose, and I hope that when this bill goes to committee it will receive pretty careful scrutiny in that respect.

Hon. Mr. Brunt: I think it will.

Hon. Mr. Hayden: Honourable senators, in a spirit of fairness I would like to direct the attention of the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) to something in this bill. It is not necessary that he should answer me at this time, for it may be more appropriate to get the information in committee. Then, again, he may feel that some consideration should be given to the language in the bill.

If the business is going to be confined to that of reinsurance, then at the time the company starts to do an act of reinsurance there must already be in existence a contract of life insurance for instance which has been entered into by some other life insurance company with an individual. That poses a very neat question as to whether the power to enter into a contract of reinsurance with respect to an existing life insurance contract is a power which comes within the scope of the objects set out in section 7 of this bill, wherein the company is given authority to make contracts of life insurance, personal accident insurance and sickness insurance. If the operation of the company is to be confined solely to reinsurance of contracts of life insurance, personal accident insurance or sickness insurance already in existence, the question is whether section 7 of the bill should not specifically give the company power to engage in the business of reinsurance as well as in the forms of insurance mentioned therein.

Hon. Mr. Brunt: Could the company not get that power under the Canadian and British Insurance Companies Act, which will apply under section 8 of this bill?

Hon. Mr. Hayden: It could. That may be the answer.

Hon. Mr. Wall: May I bring the attention of the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) to section 3 of the bill, which seems to be very oddly worded, if I may put it that way, with reservations. It reads:

> The capital stock of the company shall be one million dollars, which may be increased to three million dollars.

I do not recall any previous bill with that kind of permissive quality in one of its clauses.

Hon. Mr. Thorvaldson: Honourable senators, referring first to the remarks made by the honourable senators from Churchill (Hon. Mr. Crerar) and Toronto (Hon. Mr. Hayden)—

The Hon. the Speaker: Honourable senators will understand that if the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) speaks a second time on this bill it will have the effect of closing the debate.

Hon. Mr. Thorvaldson: I must confess that I read today the section to which the honourable senator from Churchill referred, namely, section 7, and upon noticing the wording I was somewhat surprised at its inclusiveness. Consequently I called Mr. MacGregor on the telephone and made certain observations to him along the lines of the remarks made in this house tonight by the honourable senator from Churchill. Mr. MacGregor explained to me that the company would be restricted by his department to reinsurance. I confess to honourable senators that I did not pursue the matter further because I expected it would be discussed in committee, where Mr. MacGregor will appear as a witness. We will undoubtedly have a full opportunity to examine this point on that occasion. I do want to say that I think the point in that regard has been well taken at the moment—certainly until we have an explanation of the matter from the Superintendent of Insurance.

In regard to the remarks made by the honourable the junior senator from Winnipeg (Hon. Mr. Wall) concerning clause 3 of the bill, I really do not think this clause is unusual. It may be, and if it is, it can be discussed and perhaps amended in committee, if necessary.

Hon. Mr. Hayden: I think the purpose of that clause is to enable the company to increase its capital stock without coming back to Parliament.

Hon. Mr. Thorvaldson: That is right.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to the Standing Committee on Banking and Commerce.

MUNICH REINSURANCE COMPANY OF CANADA —SECOND READING

Hon. Hartland de M. Molson moved the second reading of Bill S-14, to incorporate Munich Reinsurance Company of Canada.

He said: Honourable senators, this bill which you have before you is similar in form to others which have previously come before the house, and is in fact extraordinarily similar to Bill S-13 which has just been read the second time. However, it has certain points of interest, and perhaps a difference which I should explain.

In the first place, this bill is to form a Canadian reinsurance company which will be the wholly-owned subsidiary of a German parent company known as the Munich Reinsurance Company, or, in German, Münchener Rückversicherungs Gesellschaft, which has a long history, being founded in 1880, and is engaged exclusively in reinsurance. It is a large company, having total assets in excess of $200 million, and last year had a premium income of some $147 million. The parent company is the second largest reinsurance company in the world. Approximately two-thirds of its business is done in Germany, and one-third is foreign business. Throughout its history the company has done a very substantial foreign business, and it is rather interesting to note that of two of its larger claims, one came from the great catastrophe in San Francisco in 1906, and another from the tragedy of the sinking of the *Titanic* prior to World War I. Actually by 1914 this German parent company was the largest reinsurance company in the world, but in the course of two world wars it lost that position. However, after 1950 the company was permitted to resume its foreign business, and as a result it has now come back to be the second largest reinsurance company in the world. Since 1955 the Munich Reinsurance Company, the parent company, has been operating a branch in the United States through an office in New York, and just in December last it formed the Munich American Reinsurance Company for life business with head office in Atlanta.

Incidentally, may I remark that while, as I said, the company has been operating in the United States since 1955, in actual fact it was operating there before the turn of the century, but of course during the war it was taken over.

The company has been operating in Canada since November 1957 through a branch in Toronto. This branch has already built up quite a substantial business and has at the moment a premium income of the order of $2½ million a year. With the incorporation of this new Canadian company the parent company proposes to start it off by ceding 50 per cent of the business being carried on through the branch. This should insure a good start for the Canadian company.

The Munich Reinsurance Company of Canada will have a paid up capital of one million.

Hon. Mr. Macdonald: I wonder if I may interrupt the honourable gentleman before he goes on to the other clauses? I notice in Bill S-13, which has just received second reading, that clause 1 sets forth the name of the company in French. In the bill now being explained the name is given in the English language only. Is there any reason for not having it also in French?

Hon. Mr. Molson: Nothing was said to me about that. I do not know whether, as the company has already a German name in Germany, it felt that to express the name trilingually would lead to complications. That point simply was not mentioned. With the head office being in Montreal, one would think the name should be expressed in the French language. I would be glad to take up that point, and I thank the honourable senator for mentioning it.

I was saying that the Munich Reinsurance Company of Canada will have a paid-up capital of $1 million; and there will be a paid-in surplus of a further $1 million before business commences.

The directors of the company will be nine in number, of whom five will be Canadians.

Hon. Mr. Davies: Clause 5 of the bill says:

> The company shall not commence any business of insurance until at least one million dollars of its capital stock has been bona fide subscribed—

Does that mean Canadians may subscribe to the capital stock?

Hon. Mr. Molson: No. Munich Reinsurance Company of Canada will be a wholly-owned subsidiary. I have inquired of some of my insurance friends about this question of reinsurance companies coming into Canada,

and I have been generally informed that it is a very good thing to have reinsurance companies in any insurance market. It enables our insurance companies here to spread their risks in our own Canadian market instead of going overseas, as they have had to do in the past. For that reason I think it would be beneficial to our general insurance picture to have this company incorporated.

I have also consulted Mr. MacGregor, Superintendent of Insurance, and find that the company has complied with all the regulations of his department.

I do not think there are any clauses that need further elucidation.

May I repeat that the company will confine itself exclusively to reinsurance, as its parent company does, and will write all classes of risks with the exception of life. As will be seen, clause 7 provides a very comprehensive list. If I remember correctly, it covers all classes with the exception of life.

Honourable senators, if this bill receives second reading I shall move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Salter A. Hayden: Honourable senators, I do not wish anything I say to be taken as questioning or bringing into issue the merits of this bill, nor the merits of reinsurance in Canada as against Canadian companies reinsuring outside of Canada; but I notice that clause 5 of the bill declares that the company may, when $1 million has been paid in, "transact all or any of the classes of insurance authorized by section 7 of this act". It raises the same question which I already put forward for serious consideration under the previous bill, and that is that the powers which are specifically sought are powers to transact any or all of the classes of insurance set out in clause 7.

To illustrate the question that is bothering me: I regard a contract of insurance—of course there may be a statutory definition in the Canadian and British Insurance Companies Act, which I have not looked at recently—I regard a contract of insurance as a contract entered into between an insurance company and some person called the insured. It is easy to understand what are the elements of the contract of insurance, but a contract of reinsurance is a contract between two insurance companies, between the company that carries that contract of insurance and another company, a third party, which is prepared, for a consideration, to undertake or to share some of the risk which the original company has undertaken. The person who is insured is not a party to that second contract at all, and whatever the agreement may be it does not affect him because he has his contract with the company that insured him.

It strikes me, therefore, that in those circumstances it would be closer to reality if we set out what is intented to be the object of the business that the proposed reinsurance company is going to do. Why tell us that it will engage only in the business of reinsurance, and that the certificate of registry which the Superintendent of Insurance will issue will confine its operations to reinsurance, when in the bill itself, we see that the objects are to write contracts of insurance between this insurance company and persons looking to be covered by certain types of insurance?

I raise that question in good faith and only with a desire that bills of this kind should clearly state the powers that are intented to be taken. I do not necessarily say the powers to be immediately exercised, because companies often take broader powers than they intend to exercise immediately. If this company intends to exercise the powers of reinsurance I think the bill should say so.

Hon. Mr. Brunt: I still think that the honourable senator's difficulties will be cleared up by clause 8.

Hon. Mr. Macdonald: In view of the lateness of the hour, honourable senators, I will merely draw attention to the fact that the sponsor of the bill said that the company will carry on the business of all kinds of insurance with the exception of life insurance, but you will note from clause 7, paragraph (o), that the company will carry on life insurance so far as livestock is concerned.

Hon. Mr. Brunt: Maybe it is only accident insurance on livestock.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Molson, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 153 to 164, which were presented on Thursday, February 11.

On motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, February 17, 1960

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

Prayers.

DIVORCE

REPORTS OF COMMITTEE

Hon. William H. Golding, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 192 to 204, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Golding presented the following bills:

Bill SD-144, for the relief of Shirley Loraine Knodell Burke.

Bill SD-145, for the relief of Rene Lassonde.

Bill SD-146, for the relief of John Pastor.

Bill SD-147, for the relief of Margaret Dunn Hepburn Sanderson.

Bill SD-148, for the relief of Maurice Sykes Ward.

Bill SD-149, for the relief of Clark Alvin Graham.

Bill SD-150, for the relief of Noeleen Natalie Adams Lamond.

Bill SD-151, for the relief of Harry Gillman.

Bill SD-152, for the relief of John Philip Bowers.

Bill SD-153, for the relief of Carl August Christensen.

Bill SD-154, for the relief of Barbara Joan Marsh Wolfe.

Bill SD-155, for the relief of Barbara Ann Tuppen McIntosh.

Bills read first time.

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

Hon. Mr. Golding: Next sitting.

PRIVATE BILL

CANADIAN PUBLIC HEALTH ASSOCIATION—REFUND OF FEES

Hon. Harold Connolly, with leave of the Senate, moved:

That the parliamentary fees paid upon the Bill S-9, intituled: "An Act respecting the Canadian Public Health Association" be refunded to the petitioners, less printing and translation costs.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 11, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

Hon. John G. Higgins: Honourable senators, to begin with I would like to avail myself of this opportunity of congratulating the mover and seconder of the motion for an address in reply to the Speech from the Throne for two very interesting speeches which, I trust, will be the forerunners of others. It is also my pleasure to welcome those two senators together with our new lady senator (Hon. Mrs. Irvine). They will find life pleasant here, and I am sure their experience will be, as mine has been, that all the other senators are kindly, pleasant and affable, and always ready to encourage them when they rise to speak.

There comes a time in every man's life when he feels a change coming over him. He no longer has an exuberant spirit. He ceases to play games and becomes a spectator. He perhaps loves the easy chair and his slippers. His back may still be strong, likewise his heart, and his legs may be virile, but he does not want to engage in active sports. He may lack co-ordination of eye and muscle, but he likes to play golf. He realizes he has attained middle age. He knows he is robust and healthy, but young people, sometimes so critical and intolerant, may disagree, forgetting that in a short while they will be in the same position as he. Such a person entered a drug store and said to the young person in attendance: "Have you anything for grey hairs?" The reply was: "Nothing, but the greatest of respect". That person did not have respect; he was only being flippant. It is said that this is the time when people become garrulous. If that is so, they are garrulous with the wisdom of experience and the knowledge of years. It is a time when a man can draw on all he has learned by experience over many years.

I am surprised and shocked at the feeling that is held by many people in Canada about the Senate. I am surprised what little knowledge the general public has of the working of the Senate. If the Senate throws out a bill, immediately there is an outcry that the old men of the Senate are trying to run the country. If the Senate agrees with a bill and passes it, then the people say, "The Senate is only a rubber stamp."

We continually hear remarks about reforming the Senate or that it is an unnecessary

institution. I suppose it is still true, as it has been throughout the centuries, that the general public reads and runs. You sometimes wonder if it only runs and never reads. It seems to me that nobody can get a real insight into the machinery of the Senate unless he comes here and tries to find out the truth. The year I have spent in the Senate is enough to warrant my talking with some more authority than the individual who has probably got his insight into the Senate from somebody just as ignorant as himself.

As I stand here and look in front of me and see many of the older class of senators, of the generation before mine, I am surprised at the feeling there is about the Senate. I can remember what an impact it was a year ago when I first heard some of those senior senators speak in virile voices, their forms strong and stalwart, and without a note in their hands.

What a galaxy of stars in the firmament of debate: the force and power of a Crerar, an Euler, a Farris, a Roebuck and a Haig! And what of the placid efficiency of a Beaubien, and the rugged, common sense of a Quinn, a Golding and a Horner? Verily can I say, in a paraphrase:

> Age cannot wither them, nor custom stale,
> Their infinite variety.

To young men I would quote the words of wisdom:

> Miss not the discourse of the elders.

Youth should realize that such men are not old but mellow, like old wine.

I look around me here and I see men who have gained pre-eminence in the public life of the country and in law, medicine, engineering and other professions, in industry, shipping, finance, farming and forestry, some of whom have gained national reputation, and some, international reputation—men who are well worthy to take part in the deliberations of this great body.

I know it has been rare for the Senate to throw out a bill sent over from the other house, but sometimes it has done so, and often it has made amendments. I feel that this house does not want to interfere lightly with bills that come from a house composed of duly elected representatives of the people, but I feel equally sure from my experience here that if some matter comes before the Senate that in principle requires dissent, then dissent will be given without fail.

It was heartening for me to read a few days ago a great tribute paid to the Senate by one of the best-known columnists in Ottawa, writing in one of the leading newspapers. He wrote as follows:

> The Senate is quiet, businesslike, dignified. It is leisurely, completely predictable. It does not waste time. It gets its business done quickly without rushing. It functions noiselessly. It is completely and authentically masculine . . . So next time you want to see the nation's business being softly and satisfactorily done, go to the Senate.

Amid the storm of criticism thrust around the Senate these peaceful words of praise have a sound of infinite kindness and yet of masculinity.

Young people, I suppose, think they have everything in their generation that we did not have in our younger days. I am talking about those of my generation, or older, in the Senate. Young people imagine we must have had a very uncomfortable childhood. They will point to refrigerators, radios, frozen foods, TV sets and aeroplanes and wonder how we older people managed at all when we were young. I remember reading an answer to that by a person who pointed out that the great George Washington, whose beautiful estate in Mount Vernon, is still visited by sightseers in the thousands every year, never rode in a train, a motor car or an aeroplane; that he never saw an electric stove or a furnace, and if you had mentioned electric light to him he woudn't have known what you were talking about. But he owned a vast estate that had an abundance of game and fish; his home was beautiful, his furniture was wonderful; and he performed meritorious services for his country and for liberty in days of peace and war, and he seems to have lived a contented life. That was more than 150 years ago.

Moreover younger people forget that there is nothing new under the sun.

> "We have conquered the air," he said,
> "And time and distance have sped,
> Our liners race,
> Through realms of space,
> With our silvern wings outspread."
> Said the old, old woman: "My, my, what fuss!
> The swallows could do it long before us."

But let us go back a few years to the age in which I was a youth. That was a time of good and simple, substantial things. Then wood was wood and iron was iron, and liquor wasn't water. Perhaps in that day young children were in bed at ten and then their parents had no worry about them. Middle-aged men were respectfully addressed as "Sir". The girls had rosy cheeks, and the colour did not represent a colour nature never designed. We thought that it was a good time, and that life was worth living. There were no unemployment forms and no income tax forms to be filled out, and books were not taxed. You paid your bills with the money you earned; and if you did not have the money to buy an article, well, you did not buy it. Generally when you bought something you did not wonder if the bailiff would come and take it the day after. Of

course, it is easier to buy things now. All you have to do is to borrow whatever you want at about two per cent per month, and you are sure to own what you buy if you can keep it. It is easy to borrow to pay your debts, and then you will feel like the old woman who proudly said she was out of debt because she had borrowed enough money to pay all she owed. Anyway, her credit must have been good.

This reminds me of a story of a gentleman in my home town who was always in need of cash. When he was pressed very hard by his butcher or his grocer he would sign a three months' note, have it accepted by the grocer or butcher, and say very happily—"Well, thank heaven, that amount is paid."

Sometimes in the olden days we would, as a last resort, give a note at the bank for a loan at six per cent per year. We remembered the interest; but the mathematical minds of today do not give a thought about two per cent per month. In fact, they do not think of any interest at all. That brings me to something I am going to point out. We were taught by our parents that if we did not have the money to buy an article we should not buy it, and that we should take credit only as a last resort. Of course, if we had had to pay 20 or 24 per cent per annum on what we borrowed, we would have borrowed nothing and bought nothing.

There were no finance companies in those days. Today I am afraid that too many people are encouraged to buy various things they cannot afford. The most unfortunate result is that too often the borrower loses the article he has bought and the instalments he has paid, no matter how large the amount. Often no proper attempt is made to realize the highest price for the article seized so that the borrower might get back some of his money, even when most of the purchase price has been paid. I have never heard of anyone getting back any part of his money in those circumstances. I am speaking only of Newfoundland; I do not know what the practice is in other provinces.

I think it is time that legislation was brought in to provide some protection for people who are so encouraged to borrow. Oftentimes the public must be protected against itself. A man's worldly possessions should not be taken from him capriciously and he be rendered destitute. Contracts of money lending should be hedged around by clauses protecting the borrower where it is equitable that he be helped. After all, that has been the law for centuries regarding pawnbrokers. In England the law in regard to money lenders was and still is very strict.

Commercial affairs have become so complex that it takes a lot of trouble for a man to know what he has bought and whether he owns what he has bought. As a result of some laws that have been passed in recent years, like the Conditional Sales Act, the Bulk Sales Act and measures as to liens and chattel mortgages, the purchaser does not know what he is buying nor what he gets when he buys. Everything has been made more difficult for the ordinary man today. Once it was that when a man bought a house he got ownership of the house and all the fixtures in it, or what was agreed to be sold. But now, after he buys a house he finds that the built-in bath is bound by a conditional sales agreement and that there is a lien on the electric stove, and if there is a cat in the house that is probably held under a chattel mortgage.

Talking of financial institutions, let me turn for a moment to another matter, that of fire insurance companies. Except in the case of a death in the family, nothing is more appalling to a man than the destruction of his home and possessions by fire. That is a time when he needs help and sympathy. In Newfoundland, before Confederation, the attitude toward and methods of settlement of claims by fire insurance companies were quite different from what they are now, in some cases. Then, after a fire took place, the adjuster of the company would meet the insured, his lawyer or his agent, and discuss the loss. There would be no attempt or intention to prolong negotiations, or unduly to beat down a claim. A settlement would be shortly and amicably arranged. But now the adjuster for the insurance company, at least in some cases, thinks that his duty is to obtain the payment of the lowest amount by compromise. He keeps prolonging negotiations and requiring better proofs of loss until the patience of the insured is worn out and a poor compromise for the insured is effected. And sometimes the statutory period of a year within which legal action can be taken has passed and the luck of the insured has run out. An insurer can then, to use the vernacular, sit pretty and do nothing, and is required to pay nothing.

Another matter I wish to draw to your attention is the attitude of some insurance companies with regard to depreciation. I find that in some cases their attitude is altogether unreasonable. A house built 40, 50 or 60 years ago is probably a better house and in better condition than one built yesterday. It contains better materials and better workmanship and in the long run will outlive a modern one. Yet one would think that the insured, in the event of a fire, has a liability on account of 50 years' usage of the house. When I say

this I do not refer to all or many adjusters or say that many insurance companies permit unfair treatment of an insured, but I know that too often this does occur. Some insurance companies in Newfoundland are very careful and prompt in their settlements. I know that, for instance, unfair treatment of an insured person would not under any circumstances be tolerated in the office of my confrère the honourable senator from St. John's West (Hon. Mr. Pratt) who carries on, among many other projects, the business of fire and other insurance. I am sure that his humanitarian principles and his high regard for business ethics—and you know him well enough to think as I do of him—would permit no advantage to be taken of anyone.

I would like to refer to one other matter which I think important at this moment, and that is the announcement in the Speech from the Throne that a department of forestry will be set up. I presume that this department will deal not alone with the conservation of forests, but with a kindred subject, the conservation of game. I am aware that the forests are under the care of provincial Governments, but a federal department will be able to carry on investigations dealing with forestry problems as a whole in such a way that it will be a boon and blessing for provincial Governments. There are some matters in forestry which affect all the provinces, and not the least is the control of bugs and other insects which destroy trees. Destruction of forests by insect pests has been appalling all over North America. The preservation of forests is a duty to be taken most seriously.

The conservation of wild-life of the plains, forests, rivers, lakes and oceans is far more necessary than we, can realize. The problem of providing food for the years to come is an important one, and it becomes more important as the population increases. Food is absolutely essential, and nature provides the machinery for us to obtain it. But this machinery must be looked after. At present big dragger boats tear up spawning grounds on the Grand Banks off Newfoundland and destroy every year thousands of fish in the dragging process. The same thing happens along the shores of Newfoundland and Canada generally.

A few days ago the honourable Leader of the Opposition (Hon. Mr. Macdonald) drew the attention of this house to the lamentable fact that a great deal of the fruit belt in the Niagara Peninsula is being depleted. Can we save what is left? Canada has been blessed with the means of producing food in abundant quantities. The great Prairie belt is a producer of millions of bushels of wheat, barley and other commodities, and the other day we were reminded by the honourable senator from New Westminster (Hon. Mr. Reid) that the Fraser River produces $50 million worth of salmon every year.

The earth and the sea and all the wild-life therein were given to man to enjoy, but man must be guided in his enjoyment by prudence and justice. Their use was to be governed by the principle that it was to be subject to the rights of future generations. Nature replenishes. We are entitled to the produce, but we ought not to destroy that which produces.

It has been said that the history of the North American continent is staged against a forest background. Ever since the first settlement the forest has played a most important part in the commercial and social life of the communities. It furnished the timber to erect the homes, the fuel to heat them and fences to mark off the boundaries. It provided the materials to build boats; and from the tall firs and spruce were made the masts for ships that sailed the seven seas. The ties for the railway came from it, and we still subsist on the bounty of the forest for the same commodities. The forest provides the raw materials for the great paper mills in which employment is given to thousands of people, and it is thus the basis of one of the great economic ventures of this country.

Countries today are faced with terrific problems caused by abuse of nature. Great floods are ravaging lands, and erosion of the soil is turning what were once rich woodlands or grassy fields into arid deserts. Mistreatment of watersheds through the large-scale removal of forests and other soil-binding vegetation inevitably causes most of the floods.

The greatest menace to our forests is fire, and the greatest criminal in this destruction is the fire bug. It should be everybody's business to see that the careless camper, the indifferent smoker, is treated in the way he should be, as a menace against whom everybody's hand and voice should be raised and who should be condemned at the bar of public opinion as not fit for the privilege of citizenship. The loss caused by him is incalculable. The timber industry, the fishing industry, the farming industry and the trapping industry all suffer through forest fires. Hunting grounds are destroyed, rivers lose their sources of supply, and often private homes are wiped out and villages and towns threatened with destruction. If devastating forest fires are allowed to continue, the ruin of the country is assured, a condition from which there will be no come-back. Financial troubles may be cured, but the loss of a forest is irretrievable.

Honourable senators, all this matter is relevant to any discussion of wild-life. Preservation of forests and conservation of wild-life go hand in hand. Preservation of forests is a vital matter to the lover of wild-life. Wild-life has ever been associated with the forests in history, song and story. In the olden days —in the days of Robin Hood—the forests were patrolled because of the game which they held. Game was then the primary purpose of the forest. With the advent of the white man into our part of the world, the North American continent, the importance of game as a source of food and clothing and a means of commercial return became apparent. Fur trading was one of the first economic activities of the westward movement. It was a vital part in the upbuilding of the west. The great westward movement would not have progressed as quickly as it did without forests and game.

Canada long ago recognized that with the opening up of wildernesses by railways and industrial concerns, and the drainage of swamps and the taking over of vast stretches of country for agricultural purposes, it would be but a matter of time when all the haunts of animals would be destroyed and animal life would cease; and, realizing the difficulty of adequately enforcing game laws in large spaces, acted with commendable foresight and established wild-life sanctuaries or refuges in which all animal life is either absolutely or partially protected.

Canada has reason to be proud of her national parks which are the great Canadian sanctuaries. Jasper Park with its 4,400 square miles, and Rocky Mountain Park with its 2,750 square miles, both in the Rocky Mountains; the Gaspesian Forest and Game Preserve with its 2,500 square miles and the Laurentide National Park with its 2,700 square miles, both in Quebec; and the other sanctuaries, mostly of a smaller size, in the other provinces, are examples that point the way to show us what we may do, what we can do and what should be done to preserve our forests in Canada.

Let not stories of abundance lull us into a false sense of security. The very abundance of an animal is sometimes the cause of its ruin. This is borne out by the history of many wild animals which formerly roamed the world in vast numbers but are now extinct. The Passenger Pigeon, which ranged over the North American continent at the middle of the last century in such millions that we are told the sky in some places was darkened by them in their flight, is now a thing of the past. The Great Auk, that roamed among the islands around the shores of Newfoundland, was slaughtered in hundreds of thousands for the sake of the oil they contained and are now no more. Where are the Curlew and the Plover, great game birds of 50 years ago? It might as well be asked: where are the snows of yesteryear? Once countless herds of buffalo, as thick, naturalists tell us, as the leaves of the forest, wandered over the plains of Canada and the United States, yet so frightful was their slaughter that their history presents the colossal tragedy of a reduction from millions almost to the point of extermination, and of being saved from absolute extinction only by the foresight and the efforts of the Canadian authorities who saved and preserved the last of their species which could then be counted in bare hundreds. Within a few years the same story may be repeated of our beaver, otter, fox, bear, lynx, marten and caribou.

We have an example nearer to this present time in the story of the wild duck. At the beginning of this century large tracts of land in the United States and western Canada which provided marshes for this bird were drained and turned into agricultural land. During the First Great War extensive farming was started there and further marshy lands were dried up or drained. Then came the drought, starting in 1922, which lasted for some years, so that the marshes became withered and dried and ducks died in this drought cycle by hundreds of thousands.

Fortunately there were some seriously minded men who realized the danger and, through their efforts, the necessity of an international restoration movement was recognized. In 1938 the ducks began to sweep across the North American continent in hordes and the extinction which seemed imminent was avoided.

I read recently in one of the newspapers published in Newfoundland that sea birds in the thousands are being killed around the coastal waters of Newfoundland as the result of oil pollution caused by passing steamers which dump oil or oily water into the sea. Once the birds touch the oil slick they are doomed. Among such birds is the eider duck, which is the source of eider-down, a most valuable product and of great importance particularly in northern latitudes.

There are those perhaps in whom indignation rises at the thought of the destruction of the Passenger Pigeon but whose conscience is in no way troubled at the possibility of the extinction of animals we now possess. Why is this? What brings about this mental attitude? It is because we can look back on the past and can properly judge it by the experience of the intervening years. The past stands before us in clear lines and bold relief.

But the present is too much with us and around us to be understood or realized or visualized We cannot see the forest for the trees. We miss the obvious. To use the words of a great orator:

> You cannot see the thing that is at your feet. You can look back on the past, you may look forward to the future, but there is a dust that follows in the flying feet of the years that puts a haze before your eyes, and prevents you, unless you look very closely, from being able to see the things that are near.

Let us build for the future. Let us make this country of Canada such that, like children of the morn, we can raise our hands to the high heavens and pray in rapturous tones:

> Let us praise God for the day, for the warmth of the sun, for the stir of life and for honest toil that wins food and rest. God be praised for the day. For the earth, the sustainer of life; for the hills, the plains and the dales, and for the beauty of meadows and fields, of flowers and of trees. God be praised for the earth.
>
> For the sky, for the shifting clouds and the glory of sunrise and sunset. Let us praise God for our land—for its forests and valleys and headlands, for its lakes and rivers and all the wild life therein.
>
> Let us pray that what we have we shall use with prudence and justice.

Now that I have brought you through the rich pastures, beautiful forests, verdant valleys and majestic mountains and streams, and shown you the wild-life therein, I trust that your guide has not wearied you too much. Let us sit down and talk quietly just for a minute and, as men will, talk in the woods, which we are just leaving, of perhaps unimportant matters.

I never expected to be a millionaire and I know now I never shall be one; but I equally never expected that I would be taking part in dissertations and deliberations over millions and millions of dollars and have with others the power of arranging the payments of this immense sum and deciding how it is to be spent. It is amazing to realize that one who never dealt in finance is asked to vote on money bills involving colossal sums. One almost gasps at the thought of it. I wonder if we sometimes may get lost in the magnitude of our power and lose our sense of proportion.

One day a timid little man was attending a lecture on astronomy. At one period the lecturer said, "In 350,000 years' time the sun and the earth will meet and there will be chaos and absolute destruction." The timid little man looked up with a frightened look and asked the lecturer, "How many years did you say?" The lecturer replied, "350,000 years". The timid little man sighed and said: "Thank heaven. I thought you said 250,000 years."

Perhaps the time will come when we may become indifferent. Money will mean nothing. And we may be saying to ourselves: "After all, what's a few millions here and there?"

I saw in the *Saturday Evening Post* a picture showing two men coming down the steps of the Capitol at Washington. One was saying to the other: "Personally, I don't think that anybody is justified in talking an hour on a mere $40 million project."

One time many years ago a planter—that is a small merchant in places outside the capital city of St. John's, Newfoundland—came to St. John's and, meeting Mr. Gordon, of the then well-known firm of Baird, Gordon and Company, he said: "Mr. Gordon, with regard to the $20,000 I owe you—" Mr. Gordon interrupted him, saying, "You mean $30,000." The planter looked at him steadily and replied: "It makes no difference. I won't pay the $30,000 and I can't pay you the $20,000."

And it seems to me, as I am sure it is impressed on you, that I am beginning to lose all sense of time; in fact, I lost the sense of timing long ago in the deep forest of talk. At this moment, instead of standing up and talking of millions I should be realizing my tuppence worth and come down heavily to earth. The Socratic gadfly has at last come from the woods to sting me into silence, a consummation devoutly wished for by you, I am sure, for some time.

Hon. Olive L. Irvine: Honourable senators, I deem it an honour as a new member to be given the privilege of speaking in this debate. May I compliment the mover of the address in reply to the Speech from the Throne (Hon. Mr. Courtemanche) and the seconder (Hon. Mr. Blois) on the splendid addresses they delivered.

You, Mr. Speaker, I congratulate most heartily upon your continuance in the high office of Speaker of the Senate.

To you, sir, the honourable senator from Rosetown (Hon. Mr. Aseltine), may I offer my sincere congratulations on your holding the high position of Government Leader in this house. We from the Prairie provinces—and, indeed, we from the west—as westerners, cannot help but rejoice in the success and achievements of our colleagues from that part of Canada. I hope honourable senators will excuse me when I say I am naturally extremely proud of the fact that the Prime Minister of Canada and the Leader of the Government in the Senate both come from western Canada.

May I take this opportunity of thanking not only the honourable gentlemen from my home province of Manitoba, but all members of this house and heads of departments

for the warmth of their reception since my entry as a member of this august body, and for their generous friendship and assistance.

I feel deeply honoured on being the first woman appointed by the present Government to the Senate of Canada, and also on being the first woman ever appointed from the three Prairie provinces to sit in this house as a representative of women. May I offer my congratulations to the five lady senators who have so efficiently represented the women of Canada here for many years, and I look forward with anticipation to making my contribution.

As a Canadian I cannot but rejoice in the fact that the story of our dominion is a heroic saga. Here for centuries lay the vast expanse of Canada stretching, in the words of the Psalmist, from sea to sea, rich in natural resources, enjoying a climate which is vigour calling unto vigour, and only waiting for man bearing in his hand the conjuror's hand of civilization to turn that untouched domain of yesterday into the flourishing dominion of today.

We know that it was not until the seventeenth century that Cartier, Cabot and Champlain skirted the eastern coast. Nearly three hundred years of history passed by while the fertile valley of British Columbia called in vain. The northwest prairies blossomed and withered with each forgotten season. Mighty rivers, silent and mysterious moved from the heart of an unknown Canada. The waves thundered on the rugged coast where it fronted the Atlantic Ocean. Beyond it was the unknown east, and from it breathed, as the sun set behind its forest, a sense of history still to come; the murmur of many voices caught as in the undertone of its rustling woods.

But it is now as if the globe had shifted on its axis and tilted Canada toward the sun. Human effort now has changed from tropic plants to northern minerals; from the jungle to the rock; from the forced labour of the Egyptian slave to the leaping power of the northern waterfall.

Canada is a beautiful country. The Canadian landscape artist is born to a rich heritage of the most varied motifs. From the peach-covered hillsides of the Niagara Peninsula to the tundras of the Arctic; from the great Atlantic breakers on the coast of Newfoundland, across the pastoral and industrial provinces, to the dry clear air of the Prairies and over the Rockies to the moist Pacific slope, the various atmospheric conditions are associated with a landscape equally varied in its physical characteristics. Add to these the dramatic differences in seasonable environments and the painter has inexhaustible resources of material. These qualities make Canada irresistible to the tourist, too, catering as they do to the love of nature, beauty set in an invigorating climate with opportunities for summer and winter sports of all kinds.

How many of us stop to think of the beauty that surrounds Ottawa, our national capital? Last year more than 250,000 visitors entered its gates. This number will be doubled in the course of a few short years, and it is imperative that each one of us take national pride in its beautification.

For the past year I have been a member of the National Capital Commission, representing the province of Manitoba. May I suggest that all become familiar with the work that this commission is doing. Its membership consists of 20 members, and being national it includes a representative from each of the provinces. It provides for committees, and in particular for an executive committee. The object and the purposes of the commission are to prepare plans for, and assist in, the development, conservation and improvement of the national capital region, in order that the nature and character of the seat of the Government of Canada may be in accordance with its natural significance. We see the result of its handiwork on every side.

It was the people from the British Isles and Old France who first settled in this great country. They were followed by men from Norway, Denmark, Holland, Poland, Russia, Czechoslovakia, Germany, Iceland, Greece and other ethnic countries. They realized that Canada was a land of opportunity for individuals and organizations who had a forward look and who were not afraid to work. Canada has reached its present eminence under the stimulus of the northern climate; the initiative fostered by life in a new, vast and rugged country; and the courage and self-reliance bred of great open spaces and freedom of enterprise, movement, speech, religion and politics.

Canadians do not form a compact group, but are a collection of diverse races, as I have mentioned, moulding themselves into a nation that takes its pattern from the land of their adoption. They are held together by love of country, common interests and loyalty to the Crown.

All Canadians must honour the great statesman who exercised a most potent share in moulding the destiny of the Dominion of Canada, and our own great west especially. We read with pride of the foresight of Sir John Alexander Macdonald, who insisted on the passage of the British North America Act, which practically shaped the Constitution of the dominion, and his great interest in bringing about Confederation.

Well we remember the difficulties experienced in building our line of transportation across Canada, which led to the opening of our great country. One of the greatest men in this endeavour was Donald A. Smith, who later was to become Lord Strathcona. For the benefit of many of our honourable senators of Scottish ancestry, may I say that Donald Smith was the first president of the St. Andrew's Society of Winnipeg, back in the year 1871.

With the initiation of the railway through the west in the early eighties, our province came into being. It is to our ancestors of French culture that we owe our thanks for the foundation of our province. Here, too, we have learned that in nation building, toleration of one another is not enough. It is only when we have learned mutual affection and respect that we discover the cement that we need to bind us together.

It is to my province of Manitoba that women of Canada must give thanks for the privileges they enjoy today. To women such as Dr. Amelia Yoemans, the first woman physician in Manitoba; the late Dr. E. Cora Hind, whose initials were well known in agricultural circles throughout the dominion and around the world, and Mrs. Nellie L. McClung, who became famous as an author, we owe much. Mrs. McClung later moved with her family to Alberta and was one of the five Alberta women who played such a valiant part in bringing before the Government the need for a decision by the courts on whether or not women should be considered "persons" under the British North America Act and thus eligible to be called to this house. It was due to their persistence that the question was finally referred by the Government to His Majesty's Privy Council, which ruled in favour of the recognition of women as "persons".

Women of Manitoba were the first to be granted the franchise.

With the initiation of the railway, we had the great boom of the early eighties and the rush for homesteads. This drew colonists from all parts of the Empire—Cockneys who did not know "Haw from Gee", remittance men and Oxford graduates. Winnipeg became a babble of tongues, a clatter of hammers.

All was not forever rosy. Well we remember the depression of the thirties. We feared the west was gone. Even the stoutest heart drew anxious breath, till, presently, mother nature showered the Prairies with soft rain and buried them in green, as a mother would pass a soothing hand over her child's feverish forehead.

As we pass over the years we cannot but be amazed at our rapid growth and development. Manitoba used to be known as the "Gateway to the West", but with our Government's northern development program I now feel that it can be called the "Gateway to the Unlimited Empire of the North". Already one of our brightest pages is the record of discovery and exploration of our incalculable oil and mineral wealth.

The touch of King Midas has turned desolation into a fairyland—a strange fairyland indeed, where the poisoned breath of smelters withers and obliterates life, and where uprooted trees and dynamited rocks show how hydraulic plants can tear the heart out of primitive nature—and yet a fairyland too, where the snug winter lights twinkle back at the sulky thermometer, and where in summer the aeroplane hovers over still lakes as silvery as its own wings.

Climatic conditions are being overcome and winter employment goes on uninterruptedly to a great degree. Polyethylene tents with wood frames provide the necessary protection for the workers, while heaters give warmth to all construction so it may proceed. These tents remain around the construction from the time the foundation digging is completed until the structure is finished. Even the pouring of concrete is scarcely affected by low temperatures. Research has produced additives that permit the concrete to harden in the middle of winter. The same applies to mortar used for bricklaying and concrete block work.

The year 1959 will be recorded as a difficult year for many Manitoba farmers. Excessive moisture conditions blighted any hope of a harvest for many whose farms are located in the agricultural area east of the Red River. The unprecedented snowfall of early October and subsequent sub-zero weather, extending over a large area of the province, abruptly ended the completion of what appeared to many farmers to be a promising harvest. In the more favoured agricultural areas, production was reasonably satisfactory. Approximately one million acres of unharvested crops, representing 20 to 25 million bushels of grain and other crops, remain snow-covered with little hope of salvage.

Lying in the southwestern portion of our province is the federal constituency of Lisgar, which I have chosen with pride as my designation. In the early 1870's many from the provinces of Ontario and Quebec immigrated to this section. In 1889 my father and mother, of Irish extraction from the county of Manvers in Ontario, answered the call of the west, and it was there that I was born and raised. My constituency now proudly boasts —and I use this word "boasts" in its real meaning—people from practically all nations.

Throughout the years we have learned to work together and play together in a spirit of true Canadianism.

The eastern boundary of Lisgar is the famous Red River Valley; the western boundary is the constituency of Brandon-Souris. To the south we have the United States border and to the north the famous Assiniboine River. The adjoining northern constituency was once the home of the Right Honourable Arthur Meighen, a man whom my father taught me to admire and respect when I was a very young child.

Lisgar encompasses one of the finest areas in western Canada for the production of fruit, vegetables, livestock and grain. We are following the pattern of many Canadian communities in changing from completely rural to a truly unique diversified type of farming, including many types of industry. The production of alfalfa, registered seed, canning crops, poultry and livestock, and mink ranching have helped greatly in stabilizing the economy of the district, and as a consequence related industries have developed. Creameries, hatcheries, plant nurseries, feed processing and seed cleaning plants are strategically placed in and around our progressive towns.

May I, in summing up this great land of ours that we call "home", state—and I am sure you will all agree—that upon the whole surface of the globe there is no more spacious domain than Canada open to the activity and genius of free man.

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

PRIVATE BILL

MONTREAL LIFE INSURANCE COMPANY—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Banking and Commerce on Bill S-11, respecting Montreal Life Insurance Company.

Hon. Salter A. Hayden moved that the report be adopted.

He said: Honourable senators, perhaps I should explain the amendment recommended in the report of the committee. It is a very simply amendment and was made at the request of the sponsors of the bill. As honourable senators will recall, the bill provided for a French name for Montreal Life Insurance Company, so that it might alternately be known as Montreal Life Insurance Company or by its French name, Compagnie d'Assurance Vie de Montréal. However, in the bill the word "La" was inserted before "Compagnie", and at the request of the sponsors of the bill the committee struck out the word "La". That is the sum and substance of the amendment.

Report adopted.

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

Hon. Mr. Méthot, for Hon. Mr. Monette: Next sitting.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 165 to 191, which were presented yesterday.

On motion of Hon. Mr. Golding, for Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

BILLS—SECOND READINGS

Hon. Mr. Golding, for Hon. Mr. Roebuck, moved the second reading of the following bills:

Bill SD-98, for the relief of Rivka Fridman Nimrod, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel.

Bill SD-99, for the relief of John Frederick Alfred Webster.

Bill SD-100, for the relief of Mary Prukker Wigmore.

Bill SD-101, for the relief of Elizabeth Rudolph Beauchemin.

Bill SD-102, for the relief of Elizabeth Delrue.

Bill SD-103, for the relief of Marie Claire Georgette Cronier Brault.

Bill SD-104, for the relief of Marie Therese Louise Forest Morin.

Bill SD-105, for the relief of Donat Savoie.

Bill SD-106, for the relief of Joseph Arthur Andre Sicotte.

Bill SD-107, for the relief of Stanley Willington Burton.

Bill SD-108, for the relief of Hannah Bitensky Bidner.

Bill SD-109, for the relief of Katherine Elizabeth Moore Shaw.

Bill SD-110, for the relief of Mary Margaret Young Doulton.

Bill SD-111, for the relief of Iris Margaret Leslie Sankey Jolliffe.

Bill SD-112, for the relief of Mary Glen Keirstead Routliffe.

Bill SD-113, for the relief of Helen Balacan Berinbaum, otherwise known as Helen Balacan Berne.

Bill SD-114, for the relief of Morris Arthur Bergeron.

Bill SD-115, for the relief of Erica Theresa Schockner Giwertzman.

Bill SD-116, for the relief of Boris Moses Ovrutzky.

Bill SD-117, for the relief of Mac Ravitsky.

Bill SD-118, for the relief of Timothy David Rudston Thomason.

Bill SD-119, for the relief of Anne Smilovitch Portnoff.

Bill SD-120, for the relief of Violet Sandra Miller MacKenzie.

Bill SD-121, for the relief of Reva (Rita) Hutkin Agoston.

Bill SD-122, for the relief of Jean Ann Brown Craig.

Bill SD-123, for the relief of Frances Malofy Marzitelli.

Bill SD-124, for the relief of Louise Dupuis Papineau.

Bill SD-125, for the relief of Georgette Malick David.

Bill SD-126, for the relief of John Priestley.

Bill SD-127, for the relief of Caroline May Alexander Clements.

Bill SD-128, for the relief of Ellen Schwarz Blok.

Bill SD-129, for the relief of Nijs de Vos.

Bill SD-130, for the relief of Lucien Girard.

Bill SD-131, for the relief of Emilia Arcoragi Fisher.

Bill SD-132, for the relief of Michael Kaluta.

Bill SD-133, for the relief of Andre Marsolais.

Bill SD-134, for the relief of Jozefa Lukasiewicz Bielicz.

Bill SD-135, for the relief of Beverley June Russell Ehrhardt.

Bill SD-136, for the relief of Edith Hirsch Distelman.

Bill SD-137, for the relief of Lise Johanne Carreau Wolczecki.

Bill SD-138, for the relief of Charlotte Stilman Shulman.

Bill SD-139, for the relief of Gail Rabinovitch Golden.

Bill SD-140, for the relief of Marie Rose Lucette Durocher Di Iorio.

Bill SD-141, for the relief of Nelson Cyr.

Bill SD-142, for the relief of Ivy Baldwin Collier Wright.

Bill SD-143, for the relief of Joseph Alain Jean Guy Berube.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Golding: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 18, 1960

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

Prayers.

DEPARTMENT OF JUSTICE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-47, to amend the Department of Justice Act.

Bill read first time.

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

Hon. Mr. Aseltine: Wednesday next.

PRIVATE BILLS

ADANAC GENERAL INSURANCE COMPANY OF CANADA—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-18, to incorporate Adanac General Insurance Company of Canada.

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

Hon. Mr. Thorvaldson: Wednesday next.

ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-12, respecting The Algoma Central and Hudson Bay Railway Company, and had directed him to report the same to the Senate with one amendment.

Amendment read by the Clerk Assistant:

Page 3, line 13: Strike out "ten" and substitute therefor "twenty".

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

Hon. Mr. Hugessen: Next sitting.

LAND USE

REPORT OF COMMITTEE

Hon. Arthur M. Pearson, Chairman of the Special Committee on Land Use in Canada, presented the first report of the committee, as follows:

Your committee recommend:

1. That their quorum be reduced to five members.

2. That they be authorized to print 800 copies in English and 300 copies in French of their day-to-day proceedings.

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

Hon. Mr. Pearson: With leave, I move that the report be adopted now.

Hon. Mr. Macdonald: Honourable senators, I notice that the number of copies required is greater than usual. Would the chairman or some other honourable member of the committee explain why this is so?

Hon. Mr. Pearson: The usual number of copies in English is asked for, but there is an increase in the number of French copies desired. Last session we were short of copies in French and could not meet the demand, so it was decided to increase the number from 200 to 300.

Hon. Mr. Macdonald: All I can say is that I am pleased to hear of this evidence of greater interest in the committee's work.

Report adopted.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns it stand adjourned until Tuesday next, February 23, 1960, at 8 o'clock in the evening.

Motion agreed to.

JEWISH SETTLEMENT IN CANADA

BICENTENARY OF FIRST ARRIVAL—DEBATE ADJOURNED

Hon. David A. Croll rose pursuant to notice that he would "draw to the attention of the Senate the fact that this year marks the bicentenary of the arrival of the first Jewish settler in Canada".

He said: Honourable senators, this year Canadians of Jewish origin are celebrating the two hundredth anniversary of their settlement in Canada. Some came under the French régime, and some to the colony of Nova Scotia, a little before the year 1759, but it was not until the arrival of the British that permanent settlement began. The history of the Jewish community in Canada is, therefore, as old as English-speaking Canada itself. It began in 1759, the most significant date, next to 1867, in the history of our nation. The first Jewish settlers to make their home here permanently came with the army of General Amherst and served under Wolfe. During the two centuries since then their contribution to the growth and development of Canada has been many-sided. The Right Honourable

Vincent Massey put it well when he said they have formed "a fruitful and fertilizing stream in Canadian life".

The two hundredth anniversary of the Jewish settlement in Canada has been rightly taken as an occasion for thanksgiving among all members of the Jewish faith, for here in the new world, in marked contrast to many places in the old world, the Jew found a soil favourable to his growth. Today the Jews of Canada live in harmony with all other groups, and their contribution in peace and in war bears eloquent testimony to their integration into the Canadian social, cultural and economic pattern. They have lived in accordance with their ancient traditions and beliefs; they have advanced and found self-expression according to their abilities; they have served and sacrificed, even as their fellow Canadians, and have become part and parcel of the greater community of Canada.

One hundred years before the Act of Confederation placed Canada on the road to nationhood Jewish pioneers were helping to carve a homeland out of the wilderness. Most of them are unknown to fame, their identity merged with that of their fellow Canadians of French, English, Ukrainian, German, Russian and Italian origin.

One man whose name is still remembered was Aaron Hart, an officer with General Amherst. After he turned to the ways of peace, Mr. Hart became postmaster of Three Rivers and a man of substance. When he decided to remain in Canada he returned briefly to London and married Dorothea Judah. He had a family of eleven children, all born in Canada. His descendants were to leave their mark on Canadian life and letters for a hundred years and more.

Ezekiel Hart, a son of Aaron Hart, played a distinguished part in bringing political equality to the Jews, and, indirectly, to all minority groups. In 1807 he was elected to the Legislative Assembly of Lower Canada, but was unable to take his seat because he would not swear the oath on the New Testament, which was "on the true faith of a Christian". Nothing daunted, the citizens of Three Rivers elected him again, and he was expelled again. On January 31, 1831 a petition was presented asking that Jews be given full rights of citizenship. It provided that they would possess the same rights as any other subject of the Crown. The great Louis Joseph Papineau fought on the side of Hart, and his aid was most prophetic. For just as the French Canadians of Three Rivers fought for the right of a Jew, Ezekiel Hart, so a few years later the Scotch Protestants of Cape Breton fought for the right of a Roman Catholic, Lawrence Cavanaugh, who had been denied a seat in the Legislative Assembly of Nova Scotia. Thus was the battle for basic rights being won more than a hundred years ago. Indeed, the story takes on a double significance. The Act of 1832, which first granted civil and political rights to Jews in Canada, came twenty-five years before Britain herself enacted such a law.

Thus Canada, in 1832, kindled a beacon light of freedom, unfettered by the old prejudices of Europe. The new land, by giving political equality to the Jews, released their quickening participation in the development of Canada and set the pattern for all time to come: they were not asking for nor given special privileges, nor burdened with special responsibilities.

The first two hundred years were interesting, stimulating and exciting—full of hopes and achievements. Here was a vast land beginning to stir from a long sleep. As this awakening nation moved into the wonders of the nineteenth century, the pioneers found new challenges, new hopes and new dreams to stimulate their effort. There were trials and problems, there was grief and frustration, yet through it all Canadians of Jewish ancestry throve and multiplied and served the nation well. Their contribution has been a constructive one, encompassing political, economic, cultural and religious ends. When they formed a modest community, the service which they rendered was modest. When they became more significant, they began to render greater service.

It is interesting to trace the growth of the Jewish community from the best available records:

Year	
1759	1
1831	107
1841	154
1851	451
1871 (four years after Confederation)	1,333
1880	1,914

A trickle soon became a torrent at the turn of the century, as Canada received thousands of weary and destitute Jews, fleeing from the persecutions and intolerance of their homelands. Most of them came from small settlements—from Lithuania, Poland, White Russia and the Ukraine—and they settled not only in the great cities but in the north country and across the plains, in countless towns and villages. They were finding their place in the greater community.

In 1920 there were 125,000 Jews in Canada. Most of the second large wave of Jewish immigrants arrived between 1920 and 1939. Many were from Poland, and others were refugees from Nazi persecution in Germany, Austria and Czechoslovakia. In 1945

there were 180,000; in 1960 there are 250,000, 60 per cent of whom were born in Canada. The Jewish immigrants after the Second World War were mainly those who had miraculously survived Nazi concentration camps. Since then small groups have come from Hungary, after the 1956 revolution. Still others came from North Africa.

In the course of this interesting growth the Jews continued to produce their pioneers too. Many by-passed the centres of population to strike into the lonely, sparsely settled areas. They became peddlers, farmers, lumbermen, cattle dealers and merchants. They moved east and west, helping to establish communities in the Prairie provinces and in British Columbia. Side by side with other ethnic groups they worked to bring about a Canadian nationality.

All this began in Three Rivers 200 years ago. As their numbers grew and their economic standards improved, cultural and charitable institutions were strengthened by their generosity. Professional and educational life was stimulated by their interest. Artistic and cultural life was enriched. Commercial life became more dynamic. Their sons and daughters fought and died in two world wars. During those 200 years they captured as part of their essence the image and vitality of Canada, while never relinquishing the best of Jewish tradition, which is, after all, one of the fructifying influences in Western civilization.

The history of Jewish immigration to Canada is the history of all immigration to Canada. We immigrants, and the sons of immigrants, did not come, in the main, from some dark European morass, where learning and culture never flowered. It was not ignorance that led us to reject our homes and our friends and the countries of our birth, and out of all the lands to choose Canada. We were actuated by the same impulse which in earlier times led others to make the same venturesome journey from the old world to the new: the desire to escape from drudgery without hope of security, hunger born of social injustice, and religious faith without the freedom to practise it.

We came in search of a land where we could call our soul our own and with hard work could see a better life for our sons and daughters, and with some luck could approach old age in dignity and security. We made our choice: we gambled our lives and those of our families, and we have never regretted it. Soon we found new roots. They took hold in more nourishing soil. We settled easily into the new scene and the old one faded. In time we could say with pride that Canada was no longer a refuge—it was home, in its truest sense.

There were setbacks, of course, and the disease of anti-semitism which swept parts of Europe did not leave this continent unscathed. But it was a sickness which never became deeply rooted in the minds of the Canadian people. As befits a nation of minorities, we have always had a great awareness of the fact that any challenge to the rights of one group is a menace to the rights of all.

The growth of the Jews paralleled the growth of Canada; the election of Jews to public bodies ceased to be regarded as an unusual event; and in the professions, in the world of art, culture, education and the commercial life of this country, the Jews made and continue to make noteworthy contributions as Canadians.

In this progressive democracy the rich soil of freedom has brought forth many blessings: the right to practise religion without let or hindrance; the right to develop one's potential to the fullest extent; the right to justice and equity before the law; the right to be human beings and not ciphers. Canada has done well by its minorities and the minorities have done well by Canada. The very fabric of nationhood is woven by diverse patterns, all blending into the whole.

For the history of the Jews in Canada is substantially the record of every other ethnic group as well. It has become a commonplace to speak of this country as a land of minorities, or to talk of the "Canadian mosaic" as opposed to the "American melting pot", but I wonder how many of us ever stop to marvel at the many and diverse peoples that make up this nation. The other day I set down some of their names on paper and was amazed to find that they represent almost every letter of the alphabet—Armenian, Bulgarian, Chinese, Danish, Estonian, Finnish, Greek, Hungarian, Icelandic, Japanese, Latvian, Macedonian, Norwegian, Portuguese, Romanian, Slovak, Ukrainian. This list could easily be doubled, and I have not included the larger groups, such as German, Scandinavian, Netherlands and Polish.

We must also take into account Canadians of British and French origin, both of them minority groups, for according to the census of 1951 the British proportion of our population was 48 per cent, and the French proportion was 31 per cent. According to the census of 1958 the British proportion is 45 per cent, and the French proportion is 30 per cent. Thus it can truthfully be said that every Canadian, regardless of the colour of his skin or the church he worships in, belongs to a minority group. In this, I believe, resides one of our saving graces. To those who complain about the absence of a Canadian national consciousness I say: "Take a closer look at

a slice of Canadian life. Its richness and variety will never fail to surprise you."

We are not a "melting-pot". I think we are something better—a nation where the individual can still retain something of his individuality; where the men and women in the towns and country are human beings; where we may still speak differently, dress differently, worship in different ways, eat different foods, and think different thoughts. We are a nation in which we have an agreement: I will respect your rights, and you will respect mine. So long as this compact lasts we need never fear for our existence as a nation.

We and our fathers came to this country not only in flight from something, but also in search of something. What we were looking for, and found, is today's Canada. It is my sincerest wish that all Canadians—the little community of Jews whose two hundredth birthday is being celebrated this year and the members of every other group—may find the fulfilment of all their hopes and aspirations.

To Canadians of Jewish origin who make up less than one and one-half per cent of the total population, and who are now starting on their third century, I say: "Welcome. This is your home, and your children's home."

Hon. W. M. Aseltine: Honourable senators, I am sure we have all listened with very much interest to the very eloquent remarks which have just been made by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and I am very happy to have this opportunity of saying a few words with respect to this matter which has been so capably presented by him.

As he points out, this year marks the bicentenary of the arrival of Aaron Hart, the first Jewish settler in Canada. I am not sure whether it was in 1759 or 1760 when Aaron Hart landed in this country, but at any rate the bicentenary of his arrival is being celebrated this year, and not only by the Jewish people of Canada but by Canadians generally, for Canada is made up of divers and numerous races and creeds, as has been just stated, and the progress and achievement of Jewish settlement in our great country from the time of arrival of the first settler to the present is significant to all of us.

I am sure that honourable senators are intrigued with the story of Ezekiel Hart. He was first elected to the Legislature of Lower Canada in 1807, but it was twenty-five years later before he was allowed to sit in that body. During this period Ezekiel Hart advocated religious tolerance, and the culmination of his efforts in 1832 was the passing of the Act of Emancipation, which was assented to by King William IV and which declared, in part:

> That all persons professing the Jewish religion are entitled to the full rights and privileges of other subjects of His Majesty and capable of enjoying any office or place of trust within the province.

It is interesting to note that these rights were attained in Canada some twenty years before they were attained in the United Kingdom. This act was an attainment of extreme importance in the struggle for freedom and non-discrimination in Canada.

Since the year 1760 Jewish settlement has taken place over the length and breadth of Canada. For example, in my own province of Saskatchewan during the 1880's and 1890's agricultural settlements under the Baron de Hirsch, the Jewish Colonization Association and other organizations came to the province to establish Jewish farm communities, and many of these families continue to live there today. In fact, in 1905 we had a settlement about 20 miles north of Rosetown which flourished for about 20 years. A number of these people have left the district now, but there are still some who take an active part in farming operations in the famous Rosetown area.

Although numbering under a quarter of a million in Canada, the Jews have contributed mightily to our country's development. We all appreciate the eminence of their contribution to the arts, science, medicine, literature, law, philanthropy and business. This constructive contribution, honourable senators, is exemplified by that of our esteemed colleague from Toronto-Spadina (Hon. Mr. Croll), who has had a very colourful career in Canada. He was born in Moscow, I believe, and came to this country at the age of five years. He graduated as a lawyer, and became Mayor of the city Windsor. He was elected on several occasions to the Legislature of Ontario, and held several ministerial portfolios. On several occasions later he was elected to the House of Commons. To top it all, he was appointed to the Senate a few years ago.

Honourable senators, I take great pleasure in expressing my sincere appreciation of the very important part that Canadians of the Jewish race have played in the development of Canada in the past. They have my best wishes, and I am sure the best wishes of every member of this chamber, for the immediate future and for all time.

Hon. W. Ross Macdonald: Honourable senators, I am of course most happy to associate myself with the address delivered in such eloquent terms by the honourable senator from Toronto-Spadina (Hon. Mr. Croll), marking, as it does, the two hundredth anniversary of the permanent settlement of Jews in Canada.

As I listened to the remarks of the honourable senator I could not help but think of the great contribution that has been made by the Jews to the performing arts, to the industrial life, to the professions—especially law and medicine—and to the public life of Canada in these two hundred years.

The moving force which impelled Jewish people to come to this country—and, as the honourable senator from Toronto-Spadina pointed out, they came in two substantial waves of immigration, the first between 1882 and the beginning of the First World War, and the second between 1921 and the beginning of the Second World War—was an escape from persecution in the lands from which they came. One would have thought it possible that the circumstances which forced these people to uproot themselves, which deprived them in many cases of their possessions and incomes, and which generally dislocated them in their ways of life, might have had the effect of rendering them an ineffective force in the community, but this has not been the case. In fact, the effect has been entirely to the contrary. Great contributions have been made by them. And no doubt great contributions will be made in the future by people of Jewish origin now living useful and productive lives in Canada.

The impact of our Jewish fellow citizens in the fields of music, literature and art has been vital and significant. The prominent position taken in the industrial life of this country by Jewish businessmen, many of whom have prospered, has been useful and progressive, and I am particularly happy to pay tribute to them, not only for helping to create economic prosperity but also for the substantial assistance they have given to the various philanthropic endeavours to which they have diverted much of their substance.

But, honourable senators, we in this chamber are particularly interested in and associated with public life and it is therefore not surprising that I should today want to say a special word about Canadians of Jewish origin who have played so prominent a role in the political activities of our time.

The first Jewish member of Parliament elected to the House of Commons was Henry Nathan. He was elected in 1871 for Victoria, British Columbia, and was the forerunner of a substantial number of Jews who have since then from time to time sat in our Parliament. When I was a member of the House of Commons I came to know and admire such distinguished members of Parliament as Samuel Jacobs, Peter Bercovitch, Maurice Hart and Leon Crestohl, all of whom sat, as Mr. Crestohl still sits, for the constituency of Montreal-Cartier.

Hon. Mr. Isnor: And there was Samuel Factor.

Hon. Mr. Macdonald: Yes; I am coming to him.

As my honourable friend from Halifax-Dartmouth (Hon. Mr. Isnor) points out, there was also Samuel Factor, Member of Parliament for Spadina who, during the time we were both in Parliament, became one of my close friends. He subsequently was appointed and continues to sit as one of our eminent judges for the county of York.

Today, Toronto, the Queen City of Canada, has as its chief magistrate Mr. Nathan Phillips; and until last year my home city of Brantford, the Telephone City of Canada—in fact, the Telephone City of the world—had as its chief magistrate Mr. Max Sherman. Both Mr. Phillips and Mr. Sherman are among our highly respected Jewish citizens.

I am sure, honourable senators, that it is quite fitting that I should make a special reference to one of the most distinguished Jewish Canadian citizens of our day, namely, our colleague who has drawn attention to this bicentenary, the honourable senator from Toronto-Spadina (Hon. Mr. Croll).

Hon. Senators: Hear, hear.

Hon. Mr. Macdonald: As the honourable Leader of the Government (Hon. Mr. Aseltine) has said, Senator Croll came to Canada as a child from Moscow. He first came into prominence as Mayor of Windsor, in 1930. As has also been mentioned, in 1934 he was elected to the Legislature of Ontario. He remained a member of that body until 1944, and served as Minister of Public Welfare, Minister of Municipal Affairs, and Minister of Labour. His parliamentary career, however, was interrupted by distinguished service in the Canadian Army during World War II, which he entered as a private and left as a colonel. He then succeeded Mr. Factor as member of Parliament for Spadina, and during the course of his career in the House of Commons he was regarded as a most positive force. In 1955 he was appointed to the Senate, and he has the distinction of being the first person of his race to be so honoured. And today there is unanimous agreement as to his great abilities as an active and a most effective member of the Senate.

That being so, I am particularly pleased to speak to this matter to which attention has been directed by our colleague, and to pay tribute on this occasion to the rich contribution made to Canada by Canadian Jews for 200 years, and to express the certainty that that contribution will continue in the future as it has been in the past.

Hon. George S. White: Honourable senators, I wish to associate myself with this matter and to congratulate the honourable member from Toronto-Spadina (Hon. Mr. Croll) on the very fine remarks he has made.

I would like to take advantage of this occasion by giving to honourable senators a short report of a trip by the Canadian delegates to the Australian meeting of the Commonwealth Parliamentary Association, who received an invitation from the Israeli Government to visit Israel on their return from Australia. This invitation was accepted and the members of the delegation visited Israel. The leader was the Honourable the Speaker of the House of Commons, who was accompanied by Mrs. Michener, and the other delegates were Senator Donald Smith, and myself, from this chamber; Leon Crestohl, M.P., Theo Ricard, M.P., Harry White, M.P., Harold Winch, M.P., Fred A. McCain, M.L.A., New Brunswick, and Mr. Montgomery, Assistant Clerk of the House of Commons. We were very happy to accept this invitation, because we had already found in Australia that our meetings with delegates from the other parts of the commonwealth, and in particular the delegates from those countries of Africa which are so much in the limelight today, certainly gave the members of the Canadian delegation a much better picture of the real situation than they could ever gather from the press or the radio.

So it was in Israel. From 1948 on we have all heard so much of this small country and what has been accomplished there. No matter what you have read, I say to you that it is impossible to believe it all unless you have actually been there to see it. I will just mention a few brief facts about the geography of Israel. Honourable senators may be surprised to know that its area is only 7,816 square miles. That whole country is considerably smaller than the former riding of Hastings-Frontenac which I represented in the House of Commons. The entire length of the country is 260 miles. The width varies from 9.3 miles to 70 miles; the highest mountain, Mount Meron, is 3,962 feet; the Dead Sea, the lowest point on earth, is 1,286 feet below sea level. In this country, where we have so many lakes and rivers, it is interesting to note that 73 miles of the Jordan River are within Israel, that the Yarkon River is 16.1 miles, and the Kishon, 8.1 miles. The climate of the Mediterranean is warm in summer, and the winters are mild; rainfall varies from 1.2 inches in the south to 37.4 inches in the north.

Some idea of how production has increased within the ten-year period from 1948 to 1958 may be obtained from these figures:

Old and new crops ..	1948	1958
Citrus fruits	273,000 tons	460,000 tons
Grapes	18,000 "	40,000 "
Subtropical fruits ...	13,000 "	32,000 "
Bananas	3,000 "	30,000 "
Sugar beets	None	115,000 "
Cotton	None	21,000 "
Rice	None	1,500 "
Grounds nuts	None	28,000 "

One of the most interesting features of that country is the great area of soil which has been reclaimed. In the same ten-year period 202,500 acres now in production have been reclaimed by irrigation, 42,500 acres by the terracing of hillsides and mountains, and 55,000 acres by the draining of swamps. Another interesting fact is that in that period no less than 55,250 acres of land have been planted with 52,670,000 trees.

Hon. Mr. Pearson: Will the honourable gentleman permit a question? Where do they get the water to use for irrigation?

Hon. Mr. White: They get it principally from the Jordan River.

In that period the population has increased by 136 per cent; imports have increased by 180 per cent, and exports by 378 per cent. Road building in 1948 was 897 miles, and in 1958 it was 1,661 miles. In the ten-year period miles of railway increased from 120 to 398. The merchant marine of that small country increased in the ten years from 14,000 tons to 235,000 tons, comprising 34 passenger and cargo vessels, fruit carriers and tankers. I am informed that there has been a still larger increase since 1958. Air lines use the latest turbo-jet engines.

Our delegation came from Teheran and arrived at Tel Aviv, a beautiful modern city on the shores of the blue Mediterranean, with very fine beaches, fine hotels along the beach, good stores, avenues and apartment houses. It even has sidewalk cafes, the same as there are in Paris and Vienna. The old city of Jaffa is now merged with Tel Aviv, and this gives the tourist an excellent opportunity to see and observe both the old and the new. We are told that Jaffa is over 4,000 years old. According to legend it was built by Japheth, a son of Noah. Jaffa was the scene of much fighting in 1948, and the tourists today can see many of the ruins caused by the war of that time. This city provides everything that the tourist could wish. The shopping districts and stores meet the needs of every class of tourists. One of the main streets in the city is called Allenby Road, which is a familiar name to any soldier of World War I.

A thing that the visitor to Israel soon becomes conscious of is the great attention that is paid to education. Our delegation was taken to a recently opened technical school

near Tel Aviv which provides a four-year technical high school course in electronics and radio, electro-mechanics, tool and die making and precision mechanics. In addition, regular high school subjects are taught. This school will eventually handle 800 students, both boys and girls. We were told that during the ten-year period from 1948 to 1958 more than 11,000 young and adult students had graduated from this type of school. In the present school year there are enrolled more than 4,500 boys and girls in the age group of 12 to 18, who are taking courses in 25 vocational training centres located at 19 different places. In addition more than 1,500 adults take courses in the evening. One of the very interesting things we noticed when being shown around this very modern school in Tel Aviv was a bomb shelter underneath the basement.

After we left the school we were on our way to the city of Haifa and we visited the old Roman town of Caesarea on the Mediterranean. This had been a Roman capital for many years and it was later occupied by various crusaders. It was very interesting to have pointed out to us in the old ruins the Roman architecture with the crusade period architecture imposed on top of it. A future attraction for tourists will be the old Roman ruins recently discovered near Caesarea and now being excavated. There you will find many of the same type of ruins which you see in the buried city of Pompeii in Italy.

We were also taken to a very interesting exhibit. It was a gift to the nation, and a special museum has been built to house it. There we saw every type of glass that has been used in the period B.C. down to the present time. Some of the glass bottles exhibited there are the rarest in the world.

Haifa, a city on the slopes of Mount Carmel, is a seaport of Israel and becoming one of the industrial centres of the Middle East. It contains automobile assembly plants, chemical fertilizer plants and large cement factories, and there is now being built north of the city an oil refinery.

We were shown one of the areas which had formerly been a swamp. Some 15,000 acres had been reclaimed, and when we were there they were planted with fruit trees and sugar cane.

We saw many of the historic sites which one reads about in the Bible. We were shown where many battles had taken place, different places where King Solomon's armies had fought. In one place six or eight cities had been built one on top of the other, and a slice had been cut off the mountain so you could easily see evidence of each period of civilization.

We visited a community farm on the Jordan River near the Sea of Galilee. This is a collective settlement where all property and land are held in common. It is a very large farm containing stock, fruits, poultry and everything of that nature. Anyone may join it, and those who join may leave it at any time. The community provides for all the needs of its members, and all marketing is on a co-operative basis. This farm is on the Jordan River, which is much in the news today on account of the dispute between the Israeli Government, Syria and Jordan in regard to the piping of water from the River Jordan to irrigate the Negev desert.

From there we went to Tiberias on the Sea of Galilee, which is a very fine tourist centre. Then we went to the city of Nazareth, which naturally is of interest to everyone. There we saw the St. Joseph Church, which is built over the location where the carpenter shop of Joseph was located. Near Capernaum there is a gentle slope which is called a mountain, and it was on this mountain that Jesus preached the Sermon on the Mount, in which he said, "Blessed are the poor . . . Blessed are the meek . . . Blessed are the merciful . . ." And it was near there that the miracle of the multiplying of the loaves and fishes was performed. It is impossible for anyone to leave the shores of the Lake of Galilee or to visit the cities of Capernaum and Nazareth without being moved by that Presence which defies and surpasses our common comprehension, a Presence which will leave a deep impression on you for the rest of your life.

We visited the city of Jerusalem, and our Ambassador was able to arrange permission for the delegation to cross the line and visit the Arab section of the city. We were very fortunate to see the various holy places. The place that I was most impressed with was the Garden of Gethsemane. We were told that the olive trees growing there today are over three thousand years old, that they were there in the days when Christ walked in the garden.

Our delegation laid a wreath on the monument of Benjamin Hurzl, founder of the Zionist Movement.

From there we were taken to a military cemetery. Honourable senators, I have seen many military cemeteries in various parts of the world, but I have yet to see a finer monument to soldiers than the one outside the city of Jerusalem. It is situated on the side of a mountain. Stones, flowers, terraces—everything about it, in my opinion, was nearly perfect. A special monument to boys who served in the navy was rather unusual. It was in the form of a large pool, and around the edge of the pool, about four inches below

the water line, was a small stone monument bearing the name of deceased naval veterans.

We also visited the new university at Jerusalem. There had been a university on Mount Scopus, but when the armistice lines were withdrawn it was within the boundaries of Jordan. The new university is a very fine modern institution, not yet completed. It was interesting to be shown the first building erected at this university, known as Canada House, which was donated by a Montreal lady.

While there we had the opportunity of seeing the famous Dead Sea scrolls and the jars in which those scrolls were found. A very fine explanation of those scrolls was given us by one of the university professors.

Hon. Mr. Reid: Did you see any of the scrolls?

Hon. Mr. White: We saw the scrolls, yes. They are displayed in large glass cases about the size of two desks in this chamber.

We were taken by air from Tel Aviv to Eilat, which is on the Red Sea. As we got off the plane and walked toward the exit we could see the Canadian flag and hear a large number of people singing *O Canada*. We were much surprised and could not understand what was going on, until we recognized a delegation from the city of Toronto which was making a tour of Israel.

Eilat is the location of the famous King Solomon mines. I was very greatly interested to learn for the first time that the King Solomon mines were operated for the production of copper, which in those days had four times the value of gold.

To illustrate how small the world is—and every one of us has experienced these occasions—the engineer in charge of the mines asked me where I came from. When I told him Ontario, he asked, "By any chance, do you know where the small village of Marmora is located?" I said "Yes; I live exactly eight miles from there." I added, "I presume you were there inspecting the Bethlehem Steel mine?" He said "That is correct." When I came home I spoke to my next-door neighbour, who is an engineer at the mine, and he said that he knew the man well, calling him by name, and said that he had taken him around the mine.

One other interesting experience, and something that I have never had before, was a trip in a glass-bottom boat, in which we were shown some famous coral beaches.

Huge new port facilities are planned for that area and will form the gateway from Israel to Africa and Asia.

We took advantage of the opportunity to visit the Canadian troops stationed at the Gaza Strip. We in this country should be very proud of the job that our troops are doing in that area. Certainly, it is no pleasure trip for them. The Israeli officer in charge was able to gather together some Canadian troops so that we could have a short chat with them.

The countryside in this area is all sand. The station where the troops are located is about 300 yards inside the Egyptian border. It consists of a small building with three sides, not more than 15 feet square, with one end open, and two soldiers are placed there for 24 hours at a time. They have a telephone and binoculars, and can see the next station on either side of them.

We were fortunate enough to have an interview with Prime Minister Ben Gurion, who told us that he was prepared to answer any question we might wish to ask. I said to him that in 1956 I had spent some two weeks in the Arab countries, had seen various Arab refugee villages and heard their side of the story, and I wondered if he would care to comment on the situation. He said he would be very glad to do so. He readily admitted to me and the rest of the delegation that many of the Arabs had never received compensation for the lands that had been taken from them; that as far as the Israeli Government was concerned they were ready and willing at all times to negotiate.

We also had an interview with Mrs. Meir, the Foreign Minister who, in my opinion, is a very brilliant and capable lady. I asked her if she would care to comment on the Suez situation. One of the things that struck me forcefully was the non-partisan way in which she proceeded to explain both sides of the question, and to readily admit that there had been mistakes and errors on both sides.

We were also received by the President of the State of Israel. We attended a symphony concert, and I can say that, as the honourable Leader of the Opposition (Hon. Mr. Macdonald pointed out, music is very important to the Jewish people. This was in Tel Aviv, where we listened to a very fine orchestra, in which I counted some 40 violins alone. I was impressed by the attendance of a large number of men at the concert.

At the King David Hotel in Jerusalem, after an official dinner, there was an exhibition of folk dancing, which I found most pleasing. The boys wore blue shirts and dark trousers, the girls wore blouses and skirts, and they were all in their bare feet. I was sitting beside Mrs. Meir, and I asked her from what school or academy these boys and girls came. She said there was no school or academy, that this was a part of the training every youth in the country receives in folk dancing.

Honourable senators, I have jotted down a few of the things that impressed me in my brief visit, and I have listed them in this order:

In ten years more than a million immigrants from other lands, many without skills or money, speaking many different languages, received, cared for and worked into the economy of the country.

The very efficient type of receiving centre for immigrants.

Tens of thousands of new cement homes.

Millions of trees planted. Outside Jerusalem six million trees planted, one for each Jew killed in World War II.

The new paved highways, extended railway lines, new port facilities, and new factories.

The great irrigation system, and others that are planned to bring water from the river Jordan to the Negev desert, a very great distance.

The new and efficient air lines, ocean-going vessels and freighters.

The large number of schools, hospitals and cultural centres.

The cultural development in schools, the love of the people for music and art; the many native crafts that have been re-introduced and developed; the way in which culture becomes part of the life of each student.

The re-claiming of the desert where sand from 5 to 15 feet deep has been removed and where now grow oranges and other citrus fruits. The drudgery and hard physical toil necessary to reclaim swamp lands.

The removal by hand of stones from fields where it was impossible to put a bulldozer; the stones piled in rows that the bit of land in between the rows could be cultivated.

The terracing of the sides of the hills and mountains for the growing of oranges and olives.

The service of both boys and girls in the armed forces.

The friendly nature of the people, not boastful, but proud of their achievements in so short a time.

The importance of the family unit, the universal desire for education, and the fine type of healthy children.

The importance of religion and the respect for tradition.

The engagement of Jews in every type of primary industry, factories, road building, etc.

And above all, the complete unity of the entire country where men, women and children appear to be united with one purpose to make their country a nation, against desperate odds.

The fair treatment to Arabs who remained in Israel. There are eight Arab members of Parliament. Education is free to Arabs, and the youth are not liable for compulsory military service.

You must admire their democratic form of Government, and you are also impressed by the grim determination of the people of Israel, and the armed forces of the country, to resist aggression.

There is much to see in Israel, and the Government has been particularly active in assisting the tourist industry. I have here, as you can see, a large number of tourist pamphlets. Just to give you an example of what this country is doing, I am holding up a large map of Israel. The fine print down one side recites the verses of the Bible referring to places on this map, and letters indicate where they are to be found. The map also indicates where certain events of importance referred to in the Bible took place. There are small books and pamphlets for every city, most attractively produced, such as one I have in my hand now, which is on Israeli shopping; and here is one on the Dead Sea. There are all sorts of tourist agency guides, and every possible thing is done to assist the tourist agency.

A few days ago the honourable senator from Shelburne (Hon. Mr. Robertson) in a very fine speech referred to the position of our foreign trade and our future place in the export markets of the world. After a short visit to Israel and seeing what has been done there in one decade I predict that within the very near future you will find that country competing for export trade in the markets of the world, and on a large scale.

In conclusion, I wish to state how much I appreciated my visit to Israel, the courtesy of the Israeli Government in extending the invitation, and the superfine way in which our delegation was treated in every respect. I would say to every honourable senator who might be in Europe: "Do not miss a trip to Israel." The climate is ideal. There is much to see in this country steeped in history and tradition, and which is a land where time stands still for the student of the Bible, and where there is much to see in the style of 1960. To see for yourselves the development which has taken place in ten years will be a revelation to you. I think I am safe in saying that any visitor to Israel will come away with great admiration and respect for its people, who have accomplished so much in so short a time as a nation with a great ideal and a centuries-old dream which they are determined will come true.

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

PRIVATE BILL

MONTREAL LIFE INSURANCE COMPANY—THIRD READING

Hon. Léon Méthot, for Hon. Mr. Monette, moved the third reading of Bill S-11, respecting Montreal Life Insurance Company.

He said: Honourable senators, when this bill came up for second reading certain questions were put to the honourable senator from Mille Isles (Hon. Mr. Monette). While I was passing through Montreal on Tuesday he gave me a few notes which answer these questions, and which I would like to read to the house.

"When this bill came up for second reading, on February 9, the honourable senator from Ottawa West (Hon. Mr. Connolly) raised the following questions:

Is there any special reason why in the case of a private bill the title is not official in both languages, other than perhaps the fact that in a private bill a company is given a name and that name must be in the language in which the application is made? Does this mean that if a petition comes to this house in French the name of the company must be in French from then on, and if a petition comes in English the name of the company must always be in English?

"The honourable senator was kind enough not to ask for an answer just then. The Honourable the Leader of the Opposition (Hon. Mr. Macdonald) also joined in the debate on the question. At the time, I could offer but a summary explanation, as follows:

In the private bill incorporating this company the name given was in the English language, and therefore the legal name of the company is an English name. If this bill passes, the company will then have two official names, one French and the other English—

"Since then I have given consideration to the matter. As the honourable senator from Ottawa West suggested, the title of a public act appears in English in the English version and in French in the French version. The same is true of a private act incorporating a company—with this difference. There is involved in such a case not merely the title of an act, but also the name of a company. When a petition is presented to Parliament to incorporate a company under a specific name, provision is made in the legislation for the use of that specific name, and no other, unless an additional name in another language is specifically requested by the petitioners. I have here—honourable senators may examine them if they wish—some examples of what happens in practice.

"The title of Bill S-27 as passed by the Senate on June 17 last year is, in the English version, 'An Act to incorporate The Free Methodist Church in Canada', and in the French version, 'Loi constituant en corporation "The Free Methodist Church in Canada" '.

"The title of Bill S-28 as passed by the Senate on June 25 last year is, in the English version, 'An Act to incorporate Standard Trust Company', and in the French version, 'Loi constituant en corporation la "Standard Trust Company" '.

"And in the operative sections of both these statutes the name of the company appears only in the English version. No French equivalent is given.

"It is clearly necessary, therefore, for a company incorporated by Act of Parliament, under an English name only, to apply to Parliament for the addition of a French name if it desires one. The same principle applies of course to companies incorporated under the Companies Act—the Letters Patent must be amended accordingly.

"The foregoing constitutes the reason for the present bill respecting Montreal Life Insurance Company."

Honourable senators, that is the end of the memorandum.

In my electoral division we have an example in the city of Trois Rivières, or Three Rivers. When the city was incorporated the English version of the statute referred to it as "Three Rivers", and the French as "Trois Rivières". Since then the English version has been amended so that the name "Trois Rivières" is used in that text.

The city of Shawinigan Falls was incorporated under that name. Later someone translated it into "Les Chutes Shawinigan," and now, according to an amendment, it is called "La Cité de Shawinigan" or "La Ville de Shawinigan", and it is no longer "Shawinigan Falls". Each change had to be approved by the Legislature.

Hon. Mr. Connolly (Ottawa West): May I thank the honourable senator for the explanation and, through him, the honourable senator who prepared the memorandum (Hon Mr. Monette). It is good to have it on the record.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Mr. Golding, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-98, for the relief of Rivka Fridman Nimrod, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel.

Bill SD-99, for the relief of John Frederick Alfred Webster.

Bill SD-100, for the relief of Mary Prukker Wigmore.

Bill SD-101, for the relief of Elizabeth Rudolph Beauchemin.

Bill SD-102, for the relief of Elizabeth Delrue.

Bill SD-103, for the relief of Marie Claire Georgette Cronier Brault.

Bill SD-104, for the relief of Marie Therese Louise Forest Morin.

Bill SD-105, for the relief of Donat Savoie.

Bill SD-106, for the relief of Joseph Arthur Andre Sicotte.

Bill SD-107, for the relief of Stanley Willington Burton.

Bill SD-108, for the relief of Hannah Bitensky Bidner.

Bill SD-109, for the relief of Katherine Elizabeth Moore Shaw.

Bill SD-110, for the relief of Mary Margaret Young Doulton.

Bill SD-111, for the relief of Iris Margaret Leslie Sankey Jolliffe.

Bill SD-112, for the relief of Mary Glen Keirstead Routliffe.

Bill SD-113, for the relief of Helen Balacan Berinbaum, otherwise known as Helen Balacan Berne.

Bill SD-114, for the relief of Morris Arthur Bergeron.

Bill SD-115, for the relief of Erica Theresa Schockner Giwertzman.

Bill SD-116, for the relief of Boris Moses Ovrutzky.

Bill SD-117, for the relief of Mac Ravitsky.

Bill SD-118, for the relief of Timothy David Rudston Thomason.

Bill SD-119, for the relief of Anne Smilovitch Portnoff.

Bill SD-120, for the relief of Violet Sandra Miller MacKenzie.

Bill SD-121, for the relief of Reva (Rita) Hutkin Agoston.

Bill SD-122, for the relief of Jean Ann Brown Craig.

Bill SD-123, for the relief of Frances Malofy Marzitelli.

Bill SD-124, for the relief of Louise Dupuis Papineau.

Bill SD-125, for the relief of Georgette Malick David.

Bill SD-126, for the relief of John Priestley.

Bill SD-127, for the relief of Caroline May Alexander Clements.

Bill SD-128, for the relief of Ellen Schwarz Blok.

Bill SD-129, for the relief of Nijs de Vos.

Bill SD-130, for the relief of Lucien Girard.

Bill SD-131, for the relief of Emilia Arcoragi Fisher.

Bill SD-132, for the relief of Michael Kaluta.

Bill SD-133, for the relief of Andre Marsolais.

Bill SD-134, for the relief of Jozefa Lukasiewicz Bielicz.

Bill SD-135, for the relief of Beverley June Russell Ehrhardt.

Bill SD-136, for the relief of Edith Hirsch Distelman.

Bill SD-137, for the relief of Lise Johanne Carreau Wolczecki.

Bill SD-138, for the relief of Charlotte Stilman Shulman.

Bill SD-139, for the relief of Gail Rabinovitch Golden.

Bill SD-140, for the relief of Marie Rose Lucette Durocher Di Iorio.

Bill SD-141, for the relief of Nelson Cyr.

Bill SD-142, for the relief of Ivy Baldwin Collier Wright.

Bill SD-143, for the relief of Joseph Alain Jean Guy Berube.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Calvert C. Pratt: Honourable senators, I would ask your indulgence at this late hour in the afternoon so that I may proceed with my contribution to the debate on the address in reply to the Speech from the Throne. I do not expect to be in the chamber in the early part of next week and may not have another opportunity of participating in the debate.

At the beginning of my remarks I wish to refer briefly to the controversial issue on which the last session of Parliament terminated—the Newfoundland Additional Grants Bill. I was sorry that I could not be here to take part in that debate. I had gone to Newfoundland for a short time, intending to be back here when that legislation came before the Senate. Little did I expect that prorogation would come within a few hours after the introduction of the Newfoundland Additional Grants Bill. I heard of the closing of the session on the very day I had

booked to return. I know that my presence here at the time would not have made the slightest difference in the passing of the bill. As a matter of fact, there was no alternative to passage of the bill in the circumstances, but I certainly would have liked to put myself on record in the matter.

Hon. Mr. Macdonald: We missed you very much.

Hon. Mr. Pratt: Thank you; and I missed being here. I was sorry to be away. I must say I was very much impressed by the points raised by the honourable Leader of the Opposition (Hon. Mr. Macdonald) and also by the honourable senators from Halifax-Dartmouth (Hon. Mr. Isnor) and Saint John's East (Hon. Mr. Higgins). I read with very great interest indeed the full debate as reported in *Hansard*.

There is no purpose in my entering into a long review of the subject at this time, but I would like to say that there was a lack of consideration of the contractual position which was outlined in Term 29 of the Terms of Union. It is true that the overall position taken by the Government of Canada was improved from what had been announced previously when it was said this was a final and irrevocable settlement and a clause was substituted calling for review in 1962.

The weakness of the changed position, however, is that the review is set down to come at a time when general consideration is to be given to relations between the provinces and the federal Government. In other words, by clear implication the federal contractual obligations to Newfoundland are just swept under a ceiling of federal-provincial relations.

Apart altogether from the general character and responsibilities of such relationships, there is a contract signed, sealed and delivered under legislative authority of Canada, the United Kingdom and Newfoundland. It had the whole breadth and the sanctity of a contract within the commonwealth. Under that contract, matters in connection with maintenance of public services of my province, as defined in Term 29, have to come up for specific review. Financial adjustments in relation to the same have to be made quite separately from matters of general application in a dominion-provincial conference. A true and proper enforcement of Term 29 does not affect in any way the grants and assistance to the province, including Newfoundland, which are the outcome of federal-provincial conferences.

I just want to say at this time that the circumstances of the new province are, from the point of view of economics, public services and finance, entirely different from those of the other provinces. It couldn't possibly be otherwise, Newfoundland having lived apart until ten years ago. The continuing nature of those contributions to public service was unmistakably written into the signed agreement.

We all want a right approach to this matter, I am sure. What is required is more understanding of the circumstances and conditions than have been revealed. Despite all the best will in the world, it is easy to fall into misunderstandings and failures when generalities, no matter how liberally expressed, are allowed to creep in and take the place of a specific and properly directed approach. I do hope that the relationship of Newfoundland and the Dominion of Canada will not have to be under continuous strain because of lack of appreciation of my province's special circumstances. An improvement of great value in the relations could come right now by a clear and definite statement that the continuing obligation of the federal Government under Term 29 is recognized, as it must be as time goes on. I have frequently said in this chamber that what Newfoundland requires more than anything else is understanding by the Government and by the people of the other provinces of its unique circumstances and its needs.

By comparison in every respect Newfoundland is a new province and will remain so for many years. Many of our problems have to be analyzed separately from those of Canada generally. For instance, we are practically a 100 per cent foreign trade province as far as our industrial production is concerned. In reverse, we are nearly a 100 per cent Canadian trade province as far as our purchases are concerned. That fact in itself imposes problems within Newfoundland which are not of general application to the rest of Canada.

Transportation is one of our great problems. With our narrow-gauge railway, normal carload shipments cannot go through to destination outside the province without double handling. More of our imports and exports go through indirect channels of distribution because of that fact, thus increasing costs more than would be the case if we had a standard-gauge railway.

Unfortunately, the application of a 50-50 basis of federal and provincial costs of the Trans-Canada Highway is impractical to Newfoundland. An across-the-nation policy in this connection is unrealistic as applied to Newfoundland. Illustrative of that is the fact that the difficult terrain and bridging of numerous rivers creates abnormal costs as compared with other provinces. The ratio of miles to population is twice that of the next province, and five times that of Ontario. Newfoundland still has to build the largest proportion of Trans-Canada Highway of any province. The province simply has not got

the sources of provincial revenue to meet the cost of creating this essential service. More local roads are badly needed and will cost the province large sums of money. Even more essential services than roads, such as schools, hospitals and other welfare obligations, must have a preference in provincial Government expenditure, so a 50-50 basis of Trans-Canada Highway costs is just not feasible for the province. Unfortunately this was one of the many matters which were not specially provided for when the Terms of Union were being considered. It can also be taken as an illustration of many very important issues that have to be dealt with on the basis of goodwill and mutual understanding.

I want to use this occasion to reiterate the appeal which I have made in the past, for both sides, provincial and federal, to come together in the cause of fairness and common good. I say with all sincerity, let both federal and provincial Governments forget the rough and tumble of the political arena and in some cases personal battles of recent times, and get down to one issue, how best to serve the people and to be fair to all.

A matter of very great consequence to Newfoundland, and particularly to the city of St. John's, is the closing down of the Pepperrell Air Force base, which is scheduled for August 1 of this year. To give you some idea of the economic effect on the province and to St. John's in particular, I will state a few facts.

The base was established in 1941. About 1,200 Newfoundland people are constantly employed there on a full-time basis. The most recent figure I saw was 1,274. The civilian payroll for the past year was about $5 million. There have been about 5,200 military and civilian residents on that base. That makes a fair-sized town within a city. That number is in addition to those of the United States personnel who rent more than 1,000 apartments and houses in the city of St. John's. The Pepperell Air Force base expenditure in 1959 was $11,822,635. Withdrawal of this great expenditure will be a severe blow to a large segment of the population of St. John's and should be met by joint effort of Governments—federal and provincial—and our people.

The announcement by United States officials in Newfoundland on the "phasing out" of the Pepperell base has indicated a willingness, in fact an eagerness, to be co-operative in lightening the immediate impact of the situation. From our close connections with these fine people, we know their expressions of co-operation are genuine and sincere. On previous occasions, here and in the other house, references have been made to splendid relationships that have been developed with the United States personnel and the citizens of the province.

On this subject I would like to quote from a speech recently given by Mr. William Christensen, the United States Consul-General, at a Burns' night dinner in St. John's. Mr. Christensen, who has been there for some years, participates prominently in public welfare work and is most highly regarded. He said:

> Since that day in 1941 when the first United States troopship came into St. John's harbour, many thousands of my fellow countrymen have been stationed at Pepperell (now being phased out after 19 years of extraordinarily warm relationships with the people of St. John's and Newfoundland) and at the great defence bases in Stephenville, Argentia and Goose Bay.

He went on to say:

> How can I, as an American, adequately say how indebted we are to Newfoundlanders for their warm reception when we landed in 1941, and for the extraordinary relationship we have enjoyed since then. We owe you a debt of love—and while we can take some satisfaction that over the years we have made not an insignificant contribution to the economy of Newfoundland, how does one repay a debt of love? Well, I think we have made a significant start. Some 25,000 Newfoundland girls have married United States servicemen. That represents a lot of love! And the end is not yet.

Honourable senators, I would like to go on and quote from that very fine speech as reported in the local newspapers, but time does not permit. However, what I have given indicates the depth of feeling in a very real way.

With the closing out of the Pepperell base it is most appropriate, I am sure, to mention that informal suggestions have been made to Newfoundland organizations that some of the area will be available for public and welfare services. In this connection I would like to put forward a suggestion to the Department of National Defence. An approach should be made to the United States authorities to obtain portions of the properties for use as training bases for the Canadian services. In a review of the Department of National Defence reports of 1959, I find that in 1958 there is a listing of 24,880 naval trainees in seven places in Canada—19,407 of them in depots in Nova Scotia and most of the others in British Columbia. Pepperell, being within the boundaries of the city of St. John's, and out there by the Atlantic ocean, would be ideal as a naval training site. The number in training for the army in 1958, according to the defence report from which I am quoting, is listed at 19,192. They were located in 14 different places, mostly in the central provinces and a few in the west. The Royal Canadian Air Force had 18,210 trainees located in 12 places spread throughout central Canada and the west.

This makes a total of 62,282 trainees, as the term is used, mostly in year-round training for the three services during 1958. To be correctly understood in this matter I should point out that the numbers I have given are not necessarily numbers of individuals. Being listed as trainees in several courses, there are probably many who are taking more than one course at a time, and it is the number of persons in courses in one year that is recorded. The numbers, however, have a great significance in the point I am raising.

I question whether anywhere throughout Canada accommodation can be found which is as adaptable and as well equipped for the purpose of training personnel as is Pepperell. The area covers 1,635 acres; there are 208 buildings, which include schools, hospitals, recreational centres, and buildings for every conceivable need. The total cost of establishing this modern centre is given at $30 million, and one who has seen the growth of the centre at close range over the years may well believe that that is a very modest appraisal of its value. I certainly think that an approach by the Canadian authorities would be very favourably received, and such a use would lighten very considerably the impact of this closing-down policy on St. John's and the province. Such a move by our Defence Department would be good for the services as well as our people.

The Speech from the Throne mentions the subject of international trade. I would like, honourable senators, to take a few minutes to refer to that subject, which is fundamental to the livelihood of the people of all the provinces of Canada. As a matter of fact, it is interwoven into the whole economy of the nation more than any other matter. It is basic to making a livelihood directly and indirectly, right through the dominion. The honourable Leader of the Opposition (Hon. Mr. Macdonald) and the honourable senator from Shelburne (Hon. Mr. Robertson), spoke very forcefully on this matter quite recently. As we all know, the developments that are taking place in Europe by reason of the combinations of countries for mutual trade, and in fact for mutual protection, are becoming a matter of world-wide importance. Two of the most outstanding factors developing throughout the world today are industrialization of densely populated and underdeveloped areas, and the grouping together of nations in common trading policies. This grouping, while at present in its formative stages, is being promoted to a degree which makes it obvious that any country that does not fit into this new framework will pay a terrible penalty for isolation.

Judging by the general expressions from industry, labour and Government, I think the Canadian outlook in this matter has been unrealistic. We are altogether too apt to think that what goes on in the United States and succeeds there can likewise succeed here. We overlook the fact that that widely spread nation of 50 states running from the temperate zone almost down to the tropics has a tremendous common market of its own by reason of its great diversification of natural materials. It is altogether different from the dominion of Canada, situated more or less in the north, with far less variety of raw materials and a scattered population. The ability of Canadian people to meet the needs for maintaining an adequate standard of living, welfare services, education, the necessary defence measures and so forth, depends on how well we can hold a forceful and profitable place in international trade.

I think in too many instances we give excessive protection from imports to some industries that do not fit naturally into our economy. While we have to be realistic and adopt a proper measure of protection for industry which by nature is sound and adaptable to the country's needs, we must not lose sight of the fact that exports have to be a major consideration in the prosperity of our people. To have export trade on a sound basis we must also have a liberal policy toward imports, because unless foreign trade is of mutual advantage it just ceases.

The honourable senator from Shelburne gave us a very fine review of the developments in the European Common Market project, which embraces 175 million people, and in the Outer Seven countries of Europe, with 100 million people, who are planning to operate more closely together. In 1957 I had the privilege of being at the Congress of the International Chamber of Commerce in Italy, at which 64 countries were represented. At that time the European Common Market agreement had just been signed, and it was most interesting and helpful to hear the views of the leading industrialists, from the European countries particularly, discuss the implications of that agreement. I must say that while a great deal of uncertainty as to the immediate outcome was expressed, I did not hear anything but a positive approach to the overall benefit which would come from such a method of working together. The strong impression which I brought back from that gathering was that this movement will set up new conditions in world trade which will affect us, and any country standing alone, very badly unless we learn, and learn quickly, to develop a more co-operative outlook on foreign trade than at present exists. We certainly have to watch our tariff walls in

this country, and industry has to keep itself geared to efficient production at competitive world prices.

The higher our tariff walls go, the more rigid is our protection against importation of goods from other countries. This as a policy will make us very vulnerable to what I might term a creeping isolation from international trading relations. If we in Canada look at this situation in a broad way and adopt a policy which is for the general good rather than what is just for the benefit of those involved in specific industries, we will share in increasing world prosperity rather than be isolated from it.

One of the things we have particularly to see to in the industrial development of this country is that our international trading is safeguarded by reasonable relations of production costs to those of competing countries, especially those countries which are customers or potential customers of ours.

On motion of Hon. Mr. Beaubien, for Hon. Mr. Vaillancourt, debate adjourned.

PRIVATE BILLS

COLLEGE OF GENERAL PRACTICE OF CANADA —SECOND READING

Hon. F. W. Gershaw moved the second reading of Bill S-15, to incorporate The College of General Practice of Canada.

He said: Honourable senators, a large group of general medical practitioners in Canada have been organized for some time and have been working to maintain a high standard of practice, especially among those doctors who go into the homes of people. Especially in these days, when there is so much specialization, it has been shown that there is a real place for this organization, and it is now felt that it can do better work if it is incorporated as a legal entity. The Canadian Medical Association has recognized the need for having the practitioners in this branch of medicine incorporated, and it has contributed a substantial amount of money to meet the expense of doing so.

The College of General Practice of Canada will have nothing whatever to do with the granting of licences to practise medicine; that is entirely a provincial matter. It will not have the effect of increasing the costs of medical service; in fact, medical service should be less costly, as general practioners will feel more confident in attending cases which would ordinarily be referred to specialists.

The college will not be a teaching institution as such, although it will encourage and perhaps assist in the teaching of undergraduates along the lines of general practice.

The various ways in which the qualifications of general practitioners are to be maintained and improved are set out in section 3 of the bill. Under paragraph (h) of that section it has been suggested that every member of the profession take two or three weeks off from practice at least every two years for postgraduate work arranged by the provincial chapters.

The present officers of the board will hold office until the first annual meeting is held. Further financing of the college will be done by each member paying a fee of about $25, if he chooses to join the organization.

Honourable senators, if this bill receives second reading, I will move that it be referred to the Standing Committee on Public Health and Welfare.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Gershaw, bill referred to Standing Committee on Public Health and Welfare.

MATADOR PIPE LINE COMPANY, LTD.— SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-16, to incorporate Matador Pipe Line Company, Ltd.

He said: Honourable senators, as you will see by the name of the company proposed to be incorporated by this bill, it is a pipe line company. The purpose of the incorporation is to assist in the solution of an oil marketing problem which exists in the state of North Dakota.

As honourable senators are aware, a great deal of oil is now produced in the state of North Dakota, and most of this is transported to markets in Minnesota and Wisconsin by tank car. The distance from the oil fields in North Dakota to these markets is in the neighbourhood of 200 to 300 miles, and the cost of transporting the oil by tank car is, I am informed, $1.10 a barrel, which is a pretty excessive cost considering the present value of crude oil. It is therefore proposed that there be constructed from a gathering point in North Dakota a pipe line to the Manitoba-North Dakota boundary, this to be done by a company incorporated in the state of North Dakota.

The persons who are sponsoring this bill, and the company to be formed thereby, therefore propose to construct a pipe line of 10-inch diameter from the Manitoba-North Dakota boundary, approximately eight miles east of the Manitoba-Saskatchewan boundary, to Cromer, Manitoba, where the pipe line will connect with the Interprovincial Pipe Line Company's pipe line. As honourable

senators are aware, the Interprovincial Pipe Line Company transports oil by pipe line all the way from Alberta to Sarnia, and indeed as far as Toronto, and it maintains a pumping station at Cromer, Manitoba.

Hon. Mr. Macdonald: Do I understand that the source of the oil that will be transported by the pipe line, according to this bill, is in the United States?

Hon. Mr. Thorvaldson: Yes, the source of the oil is in the United States.

As I have said, it is proposed to deliver oil from North Dakota to the Interprovincial Pipe Line Company's pumping station at Cromer, from where it would be carried by the Interprovincial Pipe Line Company's pipe line into another pipe line which leads into the states of Wisconsin and Minnesota.

Hon. Mr. Macdonald: And on into Sarnia?

Hon. Mr. Thorvaldson: No. The destination of this oil from North Dakota, which is now carried by tank car, is points in Wisconsin and Minnesota where the oil is presently sold. As I have said, the intention is that the oil be transported by the Interprovincial Pipe Line Company's pipe line from Cromer, Manitoba and into the United States again.

Hon. Mr. Macdonald: Are there to be any outlets in Canada for that oil?

Hon. Mr. Thorvaldson: No. It is not proposed to ship that oil to any points in Canada, but to points in the United States.

Hon. Mr. Macdonald: But the line does go through Canada and it could be tapped?

Hon. Mr. Thorvaldson: The Interprovincial Pipe Line Company's pipe line at present goes through Canada; then, you will recall, it goes up to Superior and Duluth, where it crosses the international border, and there it connects with other pipe line systems which take oil into the United States. That is what is proposed to be done in this case.

Hon. Mr. Brunt: Do I correctly understand the honourable senator to say that probably none of this oil will go east of Duluth, and then it will start south?

Hon. Mr. Thorvaldson: Yes. It will not go east of Duluth, but it will start south to Wisconsin and Minnesota at Duluth.

The length of the proposed pipe line in Manitoba—that is, from the United States-Manitoba Border—will be approximately 60 miles. As I said, the proposed scheme will merely re-route the oil referred to, and it is not anticipated there will be any displacement of any presently existing market for Canadian crude. On the other hand, the building of the proposed pipe line will produce revenue for the Interprovincial Pipe Line, and also, of course, it will result in the building of this short pipe line in the province of Manitoba.

The applicants for incorporation, as shown in the bill, are three members of a Calgary legal firm together with a Mr. Cortlandt Scoville Dietler, oil producer of the city of Denver in the state of Colorado, and Elmer Goodman Balsam, oil transporter of Miles City in the state of Montana.

The capitalization of the company is to consist of 100,000 common shares without nominal or par value, and 18,000 preferred shares of the par value of $50 per share. It is not intended that any of the company's funds be raised by public financing either in Canada or the United States. I am informed that any required financing will be done through private sources and institutions.

The company will be limited to operating within the province of Manitoba and outside Canada, and it will also be limited to the transport only of oil and other liquid hydrocarbons.

It should be realized that the granting of a charter does not of itself permit the company to proceed with the project which has been outlined. The company will have to make application for that purpose to the National Energy Board for permission to construct and operate a pipe line such as is proposed. The bill specifically provides that the company is subject to the National Energy Board Act and any other general legislation enacted by Parliament relating to pipe lines.

Hon. Mr. Crerar: May I ask my honourable friend a question? Perhaps it is not of very great importance, but it arouses my curiosity when I hear that this pipe line is proposed for the export of oil to the Minnesota and Wisconsin markets. My question is this: Why is this method taken rather than the building of a line from Superior where it could tap the Interprovincial Pipe Line?

Hon. Mr. Thorvaldson: Well, the idea is to take the shortest route. The purpose is to get this oil from North Dakota into the Interprovincial Pipe Line Company's pipe line by the shortest route. It will then be taken through that line to Duluth and Superior, whence it will be diverted south to the states of Minnesota and Wisconsin. If, in the alternative, these people wanted to build a pipe line direct from North Dakota to their present markets, such a pipe line would cover a distance of 200 to 300 miles. By doing it this way they are able to achieve their purpose with a pipe line 60 miles long, and in that way divert the oil into the Interprovincial Pipe Line Company's system. I hope that answers the question.

Hon. Mr. Crerar: It is rather interesting to note, as I see it, that this pipe line from, say, Cromer in Manitoba to the ultimate destination of the oil will be much longer than would a pipe line built from, say, Superior, where it could tap the Interprovincial Pipe Line system. Tapping it at Superior would mean the building of a shorter line to its ultimate market than tapping it at Cromer.

I admit, honourable senators, that the point is not very important. If these people want to spend money, they can. Presumably they know what they are doing. This is just a matter of curiosity on my part.

Hon. Mr. Brunt: If the honourable senator will permit it, I have two or three questions. The answer to one of them is very simple. Would he give us the size of the pipe line?

Hon. Mr. Thorvaldson: It will be a ten-inch pipe line, and I am told that the cost of constructing it will be approximately $4 million.

Hon. Mr. Brunt: Do you know its daily capacity?

Hon. Mr. Thorvaldson: No, I have not that information.

Hon. Mr. Brunt: I understood the honourable senator to say that this pipe line was to be used exclusively for the transmission and transportation of oil in Canada—

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

Hon. Mr. Brunt: That is what I am coming to. Why are the sponsors asking for the right to build a pipe line outside Canada if they only want to transport oil within Canada?

Hon. Mr. Thorvaldson: I believe that is the common practice. I have noticed that every one of the Canadian pipe line companies seeks authority to build in Canada which, of course, is as far as the jurisdiction of Parliament goes, but all of them that touch the border also have included in their bills power to build outside of Canada. That is common to all these bills, so far as I know.

Hon. Mr. Brunt: They would not need that power in order to do what they are asking permission to do?

Hon. Mr. Thorvaldson: No.

Hon. Mr. Macdonald: Does not this bill propose to permit this company to sell its oil in Canada? I would point out to the honourable senator that clause 6, at line 22, proposes to give among other powers, the privilege of

—gathering, transmitting, transporting, storing and delivering of oil—

Then down in line 27 we find the words:

—and buy or otherwise acquire, transmit, transport and sell or otherwise dispose of and distribute oil—

It seems to me we are giving the company power to import oil into Canada and to dispose of it in this country.

Hon. Mr. Robertson: Well, to that I would say "Why shouldn't we?" I think it would be very wrong for us to voice the view here that we should not permit the importation of oil. Our Maritimes economy needs importation of oil by tankers and not by pipe line. Why should imported oil not be sold in Canada if it is convenient to both the buyer and the seller and the sale is subject to existing tariff and other regulations?

Hon. Mr. Macdonald: That is not the point I have raised. I would have no objection at all if permission were granted to sell in Canada, but I am trying to understand this legislation and I have asked the honourable gentleman who introduced it if it is for transportation purposes only. As I understand it, the bill gives the company far greater power than the mere power of transporting oil through Canada. If I am wrong I would like to be corrected. I am not arguing the merits of whether the oil should or should not be sold in Canada.

Hon. Mr. Thorvaldson: I think the quick answer to the honourable Leader of the Opposition (Hon. Mr. Macdonald) is this. There is a distinction between the corporate powers that a company acquires by its act of incorporation and the question whether the company can import oil from the United States into Canada and sell it in our markets. The importation of oil into Canada and its sale here is entirely governed, as I understand it, by the National Energy Board Act. At the same time, when this company acquires corporate powers to transport oil, it requires powers to sell, because it will actually be selling oil in the United States. Consequently, the company as a corporate entity must have power to sell, and that is entirely irrespective of whether sales are to be made in Canada or any other part of the world.

Hon. Mr. Macdonald: The first words of paragraph (a) of section 6 of the bill refer to what can be done within Canada.

Hon. Mr. Thorvaldson: I do want to submit that any matters in respect of import of crude oil into Canada come within the jurisdiction of the National Energy Board and are entirely outside the question of corporate powers in a bill incorporating a company. I suggest that we can have further explanation with respect to this particular matter in committee.

Hon. Mr. Macdonald: I would hope so.

Hon. Mr. Thorvaldson: If the bill is given second reading I will propose that it be referred to the appropriate committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to Standing Committee on Transport and Communications.

NATIONAL SANITARIUM ASSOCIATION— SECOND READING

Hon. T. D'Arcy Leonard moved the second reading of Bill S-17, respecting the National Sanitarium Association.

He said: Honourable senators, I crave your indulgence at this late hour to put some remarks on the record in connection with the National Sanitarium Association. That organization was incorporated by act of the Parliament of Canada in 1896 and its purpose was primarily to deal with the isolation, treatment and cure of pulmonary disease. That was the only disease the association was authorized by charter to deal with.

I think I should say at the outset that I am a member of the Board of Trustees of the National Sanitarium Association, as is the senior member of the Senate, the honourable senator from Leeds (Hon. Mr. Hardy).

When the association was chartered, in 1896, the disease of tuberculosis was a very dread one. It was commonly called consumption because of its wasting character, and owing to its prevalence and serious nature it was known as the White Plague.

A number of public-spirited citizens in Toronto and Montreal organized for the purpose of constructing the first sanitarium in Canada for the treatment of this disease. The prime mover was Sir William Gage, a distinguished Toronto citizen and philanthropist. It is interesting to note that in the first instance he thought this sanitarium should be located in British Columbia because of the advantages that province offered in elevation and pure air which would assist in the treatment. The difficulty, of course, was that most of the patients would be from eastern Canada and there was the problem of transportation, even though at that time the Canadian Pacific Railway offered to carry patients from any part of Canada to a sanitarium in British Columbia free of charge. Notwithstanding this, it was finally decided that the sanitarium should be constructed in Ontario, where the elevation was not as high nor, may I say, the air quite as pure.

The sanitarium was built at Muskoka. It pioneered in sanitarium treatment for tuberculosis and it is still carrying on. Subsequently this association constructed the Toronto Hospital for Tuberculosis at Weston, a suburb of Toronto. Later on it established also the Gage Institute, with branches as clinics for out-patients, and for conducting mass surveys whereby groups of citizens could be given X-ray examinations for the purpose of discovering the disease in its incipient stage and thus facilitating treatment and cure and, of course, helping to prevent the spread of tuberculosis. Honourable senators may be interested to know that last year the Gage Institute, in its mass surveys of groups such as students and employees of factories and offices, conducted over 270,000 individual examinations and over 220,000 X-ray examinations.

I should like to put on record the story of the remarkable success that has taken place in the treatment of this disease since this first sanitarium was established. Of course, the success was due to the work of many people, and this organization was only one in the field. The story is interesting because it has to do with one of the miracles of modern medicine. The death rate from tuberculosis has dropped steadily during this century. The great break-through took place since World War II with the discovery of certain antibiotics that have the quality and the power to overwhelm tubercle-bacilli. I have here a table prepared by the Dominion Bureau of Statistics giving the deaths and rate per 100,000 population from all forms of tuberculosis, by provinces and for Canada as a whole, from 1937 to 1958. With permission of the house I will place the table on *Hansard* so that it may be studied at leisure. I shall quote only one or two figures from the table. Commencing with the year 1937 the rate of deaths in Canada as a whole was 60.9 per 100,000 population. In the last year shown on the table, 1958, deaths dropped to six persons per 100,000 population, a decline of 90 per cent. This means that more than 9,000 people who are now living would be dead but for the great progress and success achieved in the treatment of this disease.

TUBERCULOSIS—ALL FORMS

DEATHS AND RATE PER 100,000 POPULATION

Year	CANADA		Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Yukon	N.W.T.
	Deaths	Rate												
1937	6,728	60.9	—	69.9	84.0	88.8	88.2	36.2	59.6	32.9	43.8	79.3	240.0	427.3
1938	6,172	55.3	—	86.2	74.8	77.4	82.2	33.7	48.5	29.6	35.9	69.0	340.0	263.6
1939	6,044	53.6	—	67.0	76.3	64.0	83.0	29.3	50.6	25.7	36.0	69.7	360.0	408.3
1940	5,845	51.4	—	58.9	72.9	65.3	76.4	27.0	50.7	26.8	40.6	71.8	80.0	433.3
1941	6,157	53.5	—	73.7	74.2	68.6	80.6	29.0	44.9	31.7	41.3	65.2	220.0	616.7
1942	6,061	52.0	—	47.8	64.1	71.1	80.2	28.1	46.4	29.6	34.9	64.1	360.0	525.0
1943	6,263	53.1	—	46.2	68.8	48.6	82.2	28.1	53.1	29.8	37.5	68.1	280.0	675.0
1944	5,853	49.0	—	63.7	58.4	51.6	75.0	26.9	47.9	26.7	36.0	55.5	540.0	850.0
1945	5,694	47.2	—	45.7	54.6	57.0	71.8	25.4	43.3	27.3	32.5	55.3	420.0	1,058.3
1946	5,941	48.3	—	58.5	62.8	57.9	72.4	25.8	44.6	26.8	37.6	57.4	237.5	361.3
1947	5,571	44.4	—	67.0	50.2	53.5	65.7	25.0	41.7	27.6	31.9	51.3	225.0	687.5
1948	4,887	38.1	—	39.8	39.5	46.2	58.5	19.3	38.6	27.3	30.3	40.9	162.5	631.3
1949	4,382	32.6	82.6	23.4	29.3	38.4	48.9	15.7	29.6	22.2	23.8	36.5	200.0	443.8
1950	3,679	26.8	70.4	30.2	27.6	31.1	39.6	13.1	23.3	18.4	18.7	27.5	187.5	506.3
1951	3,481	24.8	70.8	17.3	19.6	26.0	38.3	12.6	20.3	18.8	15.5	25.1	100.0	343.8
1952	2,538	17.6	46.8	24.0	14.4	19.0	26.5	8.3	14.4	12.3	12.8	17.8	55.6	475.0
1953	1,861	12.5	29.0	12.9	10.9	12.9	19.8	6.3	11.0	10.1	6.7	11.7	55.6	287.5
1954	1,593	10.4	26.6	9.9	11.3	9.4	16.3	6.0	8.6	4.8	6.0	9.5	20.0	170.6
1955	1,403	8.9	20.2	6.0	7.0	7.9	13.5	4.6	8.6	6.5	7.4	10.7	27.3	100.0
1956	1,256	7.8	19.8	4.0	6.3	8.1	12.4	4.1	7.2	5.2	3.8	7.9	—	145.1
1957	1,183	7.1	19.2	11.1	6.4	5.7	10.8	3.9	8.1	3.5	5.9	5.8	8.3	121.1
1958	1,027	6.0	14.6	5.0	5.1	6.1	10.3	3.2	4.8	2.6	3.7	4.5	—	90.0

ESTIMATED POPULATION 1958

Canada	17,048,000	New Brunswick	577,000	Saskatchewan	888,000
Newfoundland	438,000	Quebec	4,884,000	Alberta	1,201,000
Prince Edward Island	100,000	Ontario	5,803,000	British Columbia	1,544,000
Nova Scotia	710,000	Manitoba	870,000	Yukon	13,000
				Northwest Territories	20,000

SOURCE: Tuberculosis Statistics 1958
Dominion Bureau of Statistics.

I should also like to give some figures relating to the Northwest Territories. One of the things that the white people brought to the Indians and the Eskimos, who form a higher percentage of the population in the Northwest Territories than in other parts of Canada, was tuberculosis, and since they had not much resistance to the disease they suffered more extensively than did the white people. In 1945 the mortality rate in the Northwest Territories was 1,058 per 100,000 of population, but by 1958, in a period of 13 years, it had dropped to 90 persons. I think that is a very remarkable story. It is a great tribute to all those persons who have been engaged in this battle against tuberculosis, particularly to the medical profession—to those doctors who have really dedicated themselves in the field of research and the treatment of this disease. It is not a field they would have entered with any great expectation of reward, measured in terms of dollars, yet they have already received their reward, as they thought they might, in terms of persons cured and lives saved. I think we all owe them a great debt of praise and thanks for that quite remarkable record.

The decrease in the number of deaths has also been accompanied by a reduction in the length of time for treatment in sanitoria. For example, in 1952 the length of stay for an average patient at the Weston Sanitarium was 509 days. In 1958, just six years later, largely because of antibiotic drugs the length of stay had been decreased to 275 days, or almost by one-half.

This success story, however, has brought with it problems of surplus capacity and surplus beds. As of January 31 in our two hospitals, namely, Muskoka and Weston, we had a 1,056-bed capacity, and on that day 458 beds—that is 44 per cent of the total—were vacant. We have been asking the Ontario Department of Health to ascertain how we can put our surplus capacity to the best use and devote our energies to other matters.

In that connection, I might mention that we have in our hospitals some of the 100 families with tuberculosis that were recently brought to Canada under an international arrangement for taking some tuberculous refugees, and there is every expectation, from reports I have received of those patients in our hospitals, that they will be restored to health and become useful citizens of Canada. I express my own personal strong conviction that we can do much more of that. We need have no fear of bringing to Canada as refugees persons who are afflicted with tuberculosis, because we can treat them and cure them, so that they will become good, sound, healthy citizens of Canada.

Of course, notwithstanding the fact that we have these empty beds, the battle against tuberculosis must go on. We cannot afford to be complacent about it. There is always the possibility of a resurgence of the disease. In any event, the efforts of an organization such as ours should go on toward the goal of eradication of the disease.

However, in looking at the problem as a whole along with the Ontario Department of Health we have reached the conclusion that we should also make our services available for treatment of diseases other than tuberculosis. We have buildings and beds, doctors and nurses, laboratories and research facilities, funds and resources. Therefore, this bill strikes out the section of the original charter that confined the activities of this organization to pulmonary disease only, and gives us the opportunity of expanding our services and using all our resources for the care and treatment and, we hope, cure of persons afflicted with any disease or disability whatsoever.

That, honourable senators, is the purpose of and the principle behind this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Leonard, bill referred to Standing Committee on Public Health and Welfare.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 192 to 204, which were presented yesterday.

On motion of Hon. Mr. Golding, for Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

BILLS—SECOND READINGS

Hon. Mr. Golding, for Hon. Mr. Roebuck, moved the second reading of the following bills:

Bill SD-144, for the relief of Shirley Loraine Knodell Burke.

Bill SD-145, for the relief of Rene Lassonde.

Bill SD-146, for the relief of John Pastor.

Bill SD-147, for the relief of Margaret Dunn Hepburn Sanderson.

Bill SD-148, for the relief of Maurice Sykes Ward.

Bill SD-149, for the relief of Clark Alvin Graham.

Bill SD-150, for the relief of Noeleen Natalie Adams Lamond.

Bill SD-151, for the relief of Harry Gillman.

Bill SD-152, for the relief of John Philip Bowers.

Bill SD-153, for the relief of Carl August Christensen.

Bill SD-154, for the relief of Barbara Joan Marsh Wolfe.

Bill SD-155, for the relief of Barbara Ann Tuppen McIntosh.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Golding: Next sitting.

NEWFOUNDLAND

ELEVENTH ANNIVERSARY OF UNION ACT

On the motion to adjourn:

Hon. Calvert C. Pratt: Honourable senators, before we adjourn may I refer to a note that was passed to me by a friend while I was speaking about Newfoundland earlier? It reminds me that the act to approve Newfoundland's entry into Confederation was assented to in this Parliament on February 18, 1949, eleven years ago today. So we are just at the end of the first year of the second decade.

If this sitting could be turned into a social event, which it cannot be, I would suggest that my good friend on the opposite side of the house, the honourable senator from St. John's East (Hon. Mr. Higgins), start the singing of the *Ode to Newfoundland*. But, honourable senators, as that cannot be done on this occasion, all we can do is to follow on as best we can and continue, as occasion permits, to talk to a sympathetic audience of what is *owed* to Newfoundland.

Hon. Mr. Higgins: Honourable senators, the only thing that keeps me from singing is the fear of eggs and bricks. I suggest that the honourable senator from St. John's West (Hon. Mr. Pratt) should demonstrate a little less humility and sing it himself. He may have been a choir boy.

The Senate adjourned until Tuesday, February 23, at 8 p.m.

THE SENATE

Tuesday, February 23, 1960

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

Prayers.

THE ROYAL FAMILY

BIRTH OF A PRINCE—ADDRESS TO THE QUEEN

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

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

TO THE QUEEN'S MOST EXCELLENT MAJESTY:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the ...Commons of Canada, in Parliament assembled, beg leave to offer our congratulations to Your Majesty and His Royal Highness the Prince Philip on the birth of a Prince, and to assure Your Majesty that this happy event affords the greatest joy and satisfaction to your faithful Members of the ...House of Commons of Canada.

Ordered: That a message be sent to the Senate informing Their Honours that this house has passed an Address to Her Most Excellent Majesty the Queen, expressing congratulations on the occasion of the birth of a Prince and requesting Their Honours to unite with this house in the said Address.

Attest

LÉON J. RAYMOND
Clerk of the House of Commons

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the Senate do agree with the House of Commons in the said Address by filling up the blank spaces left therein with the words "Senate and".

Honourable senators, I would like to say a few words with respect to this matter. In the first place I would point out that the procedure being adopted is that outlined in Bourinot's very valuable work, at page 261. I would point out also that on the insertion of the words "Senate and" the Address becomes a joint Address of both Houses of Parliament.

I am pleased indeed to present this motion to this honourable house at this time and I feel confident that it will receive your cordial and unanimous support without any urging on my part.

This motion is, of course, presented in consequence of the very happy event which took place last Friday, something which had not happened for more than one hundred years, namely, the birth of a prince to a reigning sovereign.

By passing this motion we join with the House of Commons in a humble address to Her Majesty, congratulating Her Majesty and Prince Philip on the birth of a prince, and expressing on behalf of the Senate and the Commons that devotion and attachment which our Queen is so well entitled to receive.

Honourable senators, I am, as I am sure all of us are, wholeheartedly in favour of this joint Address, and wish to have it fittingly engrossed and transmitted to Her Majesty as quickly as possible. After the motion has passed I shall submit some other motions with a view to having the Address transmitted as quickly as possible to our gracious Queen.

Hon. W. Ross Macdonald: Honourable senators, I feel that I am very fortunate in that it falls to my lot to second and to express on behalf of those who form Her Majesty's Opposition in this house our wholehearted support of this motion. Millions of people throughout the world, and especially the millions who make up the commonwealth, are taking today about the happy home life of the royal family composed of our beloved Queen, the Prince Consort, Prince Charles and Princess Anne, and now enlarged by the birth of another prince.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Macdonald: The strongest links which bind together the far-flung realms and territories of our commonwealth are similar happy homes in many varied climes which during the past few weeks have been united in a very special way with the home of our gracious Queen.

I do not think I could do better, honourable senators, on the occasion of the birth of Her Majesty's third child, than to quote, with a few necessary alterations, from the speech made by the Right Honourable Winston Churchill in 1948 on the occasion of the birth of Her Majesty's first child, who is now the Prince of Wales. At that time Mr. Churchill —as he then was—said:

Our ancient monarchy renders inestimable service to our country and to the Commonwealth of Nations. Above the ebb and flow of party strife, the rise and fall of ministries and individuals, the changes of public opinion or public fortune, the British monarchy presides, ancient, calm and supreme within its functions over all the treasures that have been saved from the past and of the glories we write in the annals of our country.

He continued:

Our thoughts go out in a special way at this time to the mother and to the father. I have no doubt that the little prince will be brought up in all those traditions of constitutional government which make the British monarchy at once the most ancient and most secure in the world.

He concluded with these words:

I hope that among the principles which will be instilled into him will be the truth that the sovereign is never so great as when the people are free.

Honourable senators, we rejoice with the Queen, Prince Philip and their family, and may I, in the words which were used by the minister at St. Andrew's Church on Sunday last, express the wish that the new baby will be a comfort to his parents and a help to his people all the days of his life.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, allow me to add a few words in French to say how happy we from Quebec—that important part of the Canadian people—feel over this event.

We pay our respects to our Queen because to us she is the symbol of dignity, and an example of grandeur for all mothers in the commonwealth. Long live the new prince! Long live the Queen!

(Text):

Motion agreed to.

Hon. Mr. Aseltine: Honourable senators, I now move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the Honourable the Speaker do sign the said Address to Her Majesty the Queen on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that house that the Senate do agree to the Address to Her Most Excellent Majesty the Queen offering congratulations on the birth of a Prince, and have inserted in the blank spaces therein the words "Senate and".

ADDRESS TO THE GOVERNOR GENERAL

Hon. Mr. Aseltine: Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the following Address be engrossed and presented to His Excellency the Governor General, namely:—

To His Excellency Major-General Georges Philias Vanier, Companion of the Distinguished Service Order, upon whom has been conferred the Military Cross and the Canadian Forces' Decoration, Governor General and Commander-in-chief of Canada:

MAY IT PLEASE YOUR EXCELLENCY:

The Senate ... of Canada, in Parliament assembled, have agreed to an Address to Her Most Excellent Majesty the Queen offering congratulations to Her Majesty and His Royal Highness the Prince Philip on the birth of a Prince, and respectfully request that Your Excellency will be pleased to transmit the said Address to Her Majesty the Queen.

Motion agreed to.

Hon. Mr. Aseltine: Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the Honourable the Speaker do sign the said address to His Excellency the Governor General on behalf of the Senate.

Motion agreed to.

The Hon. the Speaker: Ordered, That the Clerk do go down to the House of Commons and acquaint that House that the Senate have passed an Address to His Excellency the Governor General respectfully requesting that His Excellency may be pleased to transmit the Joint Address to Her Most Excellent Majesty the Queen offering congratulations on the birth of a Prince, and requesting the House of Commons to unite with this House in the said Address.

LIBRARY OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

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

Resolved: That a message be sent to the Senate to acquaint Their Honours that this house has appointed Miss Aitken, Messrs. Bourbonnais, Bourque, Brunsden, Campeau, Dorion, Eudes, Fairfield, Fisher, Fleming (Okanagan-Revelstoke), Forbes, Fréchette, Grenier, Hanbidge, Houck, Kindt, Knowles, LaRue, Lennard, Lessard, Macquarrie, Martel, Matthews, McFarlane, McGee, McIlraith, Muir (Lisgar) Nixon, Pigeon, Pratt, Racine, Ratelle, Regier, Richard (Ottawa East), Rouleau, Simpson, Skoreyko, Small, Smith (Lincoln), Smith (Simcoe North), Smith (Winnipeg North), Southam, Stinson, and Tremblay a committee to assist His Honour the Speaker in the direction of the Library of Parliament so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a Joint Committee of both Houses on the Library.

Ordered, that the message do lie on the Table.

PRINTING OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

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

Resolved: That a message be sent to the Senate to acquaint Their Honours that this house will unite with them in the formation of a Joint Committee of both Houses on the subject of the Printing of Parliament, and that the following members: Messrs. Allard, Asselin, Barrington, Belzile, Bissonnette, Boivin, Bourdages, Bourque, Brunsden, Cadieu, Campeau, Caron, Clancy, Cooper, Creaghan, Deschambault, Deschatelets, Dubois, Dupuis, Fane, Fisher, Fortin, Gillet, Godin, Grafftey, Gundlock, Henderson, Howard, Jorgenson, Korchinski, Lahaye, Lessard, Létourneau, MacInnis, MacLellan, Martini, McLennan, McWilliam, Meunier, Michaud, Morissette, O'Leary, Phillips, Rapp, Ratelle, Richard (Kamouraska), Robinson, Rouleau, Skoreyko, Smallwood, Southam, Taylor, Webb, and

Winkler will act as members on the part of this house on the said Joint Committee on the Printing of Parliament.

Ordered, that the message do lie on the Table.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—COMMONS MEMBERS

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

Resolved: That a message be sent to the Senate to acquaint Their Honours that this house has appointed Messrs. Bourque, Campbell (Lambton-Kent), Carter, Deschatelets, Dorion, Doucett, Godin, Hales, Horner (The Battlefords), Lafrenière, Legere, Létourneau, Martin (Timmins), McGregor, McQuillan, Muir (Lisgar), Pratt, Richard (Ottawa East), Stearns, Tardif, Taylor, Villeneuve, Weichel, and Wratten a committee to assist His Honour the Speaker in the direction of the Parliamentary Restaurant so far as the interests of the House of Commons are concerned, and to act on behalf of this house as members of a Joint Committee of both Houses on the Restaurant.

Ordered, that the message do lie on the Table.

DOCUMENTS TABLED

Hon. Mr. Aseltine: Honourable senators, I table the following documents:

Report of the Superintendent of Insurance on Co-operative Credit Societies for the year ended December 31, 1958, pursuant to section 9 of the Department of Insurance Act, Chapter 70, R.S. 1952. (English text).

Report of the Superintendent of Insurance on small loan companies and money-lenders for the year ended December 31, 1958, pursuant to section 9 of the Department of Insurance Act, Chapter 70, R.S. 1952. (English text).

Exchange of correspondence between United States and Canadian officials concerning pilotage on the Great Lakes, dated February 19, 1960. (English text).

PILOTAGE ON GREAT LAKES

Hon. W. Ross Macdonald: Honourable senators, may I ask the Leader of the Government (Hon. Mr. Aseltine) whether the correspondence concerning pilotage on the Great Lakes, which he has just tabled, is in accordance with the terms of the Canada Shipping Bill which was passed by this house last session and allowed to remain undecided on the Order Paper of the House of Commons?

Hon. Mr. Aseltine: I believe the correspondence is similar to the bill, but I received the documents only a moment ago and have not had time to digest them. If it would satisfy the honourable Leader of the Opposition (Hon. Mr. Macdonald) I would ask, with leave of the Senate, that this exchange of correspondence be printed as an appendix to today's *Hansard*. If this is done honourable senators will have a full opportunity to examine the correspondence in detail and ascertain whether it complies with what we in this house tried to do last session when we passed the bill to amend the Canada Shipping Act.

With leave, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald), that the exchange of correspondence between United States and Canadian officials concerning pilotage on the Great Lakes, dated February 19, 1960, be printed as an Appendxi to the *Debates of the Senate* and to the *Minutes of the Proceedings* of the Senate of this day.

Hon. A. K. Hugessen: Arising out of that reply, I wonder if the honourable Leader of the Government (Hon. Mr. Aseltine) can tell us if there is any likelihood that the bill, which we considered in such detail and so extensively last session, will come back to us in the current session as a result of subsequent negotiations between this Government and that of the United States?

Hon. Mr. Aseltine: I shall have to find out about that and inform honourable senators later on.

Motion agreed to.

For text of correspondence see Appendix to today's Hansard, *pp. 212-13.*

PRIVATE BILLS

EVANGELICAL LUTHERAN CHURCH OF CANADA—FIRST READING

Hon. Gunnar S. Thorvaldson presented Bill S-19, to incorporate The Evangelical Lutheran Church of Canada.

Bill read first time.

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

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

Motion agreed to.

BRITISH COLUMBIA TELEPHONE COMPANY—FIRST READING

Hon. J. W. de B. Farris presented Bill S-20, respecting British Columbia Telephone Company.

Bill read first time.

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

Hon. Mr. Farris: Honourable senators, may I have your permission to say something about this bill? Its purpose is to enable the British Columbia Telephone Company to acquire the shares and to become a

shareholder of any company or companies having objects in whole or in part similar to the objects of the British Columbia Telephone Company.

I wish to speak to two matters, and I ask for your consideration. One concerns the merits of this bill. Of course, I would not presume to ask any honourable senator to deal with its merits except in so far as he believes them to be in the interests of the country. I am sure that a bill of this nature, the only result of which would be to make the telephone service of British Columbia more effective in that province, will meet with the approval of this house. It is similar to legislation that has been in existence for some time as far as the Bell Telephone Company is concerned. That is all I will presume to say on the merits at this time.

However, I am asking for the indulgence of the Senate. I am not sure, but I think that during the long period that I have been a member of this house I have never before asked for the indulgence of the Senate. I am interested in this bill, and after I have moved the second reading I want to elaborate a little bit on it. Also I should like to be present when the bill is before the committee. I have to go back to Vancouver on Friday, so I am asking the indulgence of the house to have the second reading take place tomorrow and consideration in the committee on Thursday. I think the president of the company, or the vice-president and comptroller, should appear before the committee. If I am given this indulgence I will wire the president of the company to be here on Thursday, but if any honourable senator feels that the indulgence should not be granted I would like him to speak now, or for ever hold his peace.

Hon. Mr. Macdonald: Do I understand the honourable senator's request is that the bill be presented for second reading tomorrow?

Hon. Mr. Farris: That is right. I am asking that the bill, with consent of this house, be placed on the Orders of the Day for second reading tomorrow.

I am assured that the bill will be distributed in the morning. However, as it contains only one paragraph I will read it now:

1. Chapter 66 of the statutes of 1916—

that is the British Columbia Telephone Company Act

—is amended by adding thereto, immediately after section 9 thereof, the following section:—

"9A. The company shall have power to purchase or otherwise acquire the shares, and become a shareholder, of any company or companies having objects in whole or in part similar to the objects of the company: Provided that no agreement therefor shall take effect until it has been submitted to and approved by the Board of Transport Commissioners for Canada. The company shall also have power to allot and issue to the shareholders or any one or more of them of any such company or companies, shares either ordinary or preference, or both, in the capital stock of the company in whole or in part in payment of or in exchange for the shares of any such company or companies, and to so allot and issue such shares as fully paid up or as partly paid up as may be agreed upon between the Company and the holders of such shares."

That is all that is involved. I propose to speak in some detail on the second reading tomorrow, if I am permitted to do so, or the following day, and I am sure that honourable senators will not need any further time in order to be able to do justice to the bill in expressing themselves either in support of or against it. That is the reason why I am asking for this indulgence.

With leave, I now move that the bill be placed on the Orders of the Day for second reading tomorrow.

Motion agreed to.

EASTERN TELEPHONE AND TELEGRAPH COMPANY—FIRST READING

Hon. Gordon B. Isnor presented Bill S-21, respecting Eastern Telephone and Telegraph Company.

Bill read first time.

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

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 205 to 217, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-156, for the relief of Dorcina Doris Dubuc Clark.

Bill SD-157, for the relief of Gerald Healy.

Bill SD-158, for the relief of Marlene May Myles Robinson.

Bill SD-159, for the relief of Phyllis Louise Clements Harris.

Bill SD-160, for the relief of Anne Olivia Sinclair Fuller.

Bill SD-161, for the relief of Viola Mabel Stead Cole.

Bill SD-162, for the relief of Patricia Ann Shirley Howell.

Bill SD-163, for the relief of Lillian Juanita Sheppard Simpson.

Bill SD-164, for the relief of Ivy Winifred Grace Arthur Birks.

Bill SD-165, for the relief of Barbara Ruth Aird Barwick.

Bill SD-166, for the relief of Diane M. L. Turner Hammond.

Bill SD-167, for the relief of Dorothy Craven Masse Perrett.

Bill SD-168, for the relief of Helen Landau Shuster.

Bill SD-169, for the relief of Fagy Litner Selinger.

Bill SD-170, for the relief of Pearl Shedlack Dubin Birnbaum.

Bill SD-171, for the relief of Joseph Szczepanski.

Bill SD-172, for the relief of Magdalena Beata Landau Weissler.

Bill SD-173, for the relief of Frantisek Sladek.

Bill SD-174, for the relief of Kathleen Beatrice Title Levy.

Bill SD-175, for the relief of Helen Caroline Coleman Lewchuk.

Bill SD-176, for the relief of Marie Paule Andree Mercier Rowney.

Bill SD-177, for the relief of Alexander Leslie Mittler.

Bill SD-178, for the relief of Beatrice Jean Madsen Rockburn.

Bill SD-179, for the relief of Emma Strachan MacInnes Creery.

Bill SD-180, for the relief of Vira (Vera) Kotyk Marsden.

Bill SD-181, for the relief of Shashi Kumar Pande.

Bill SD-182, for the relief of Ethel Georgina Pottle Pallen.

Bill SD-183, for the relief of Marilyn Shendelman Kagan.

Bill SD-184, for the relief of Joseph Henri Marcel Vinet.

Bill SD-185, for the relief of Martha Dammel Reiche Domnauer.

Bill SD-186, for the relief of June Isabella Adamson Hogan.

Bill SD-187, for the relief of Wincenty Strzelczyk.

Bill SD-188, for the relief of Janina Rodzoch Nowak.

Bill SD-189, for the relief of Margaret Ruth McLellan Kennedy.

Bill SD-190, for the relief of Hazel Ina McEwing Hickey.

Bill SD-191, for the relief of Marie Marthe Alberta Ladouceur Parenteau.

Bill SD-192, for the relief of Olga Gokler Crisan.

Bill SD-193, for the relief of George Graham Thresh.

Bill SD-194, for the relief of Joseph Arthur Porcheron.

Bill SD-195, for the relief of Paul Drolet Massue.

Bills read first time.

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

Hon. Mr. Roebuck moved, with leave, that the bills be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

INTERNATIONAL AFFAIRS

MOTION TO AUTHORIZE EXTERNAL RELATIONS COMMITTEE TO REVIEW CANADA'S ROLE —DEBATE ADJOURNED

Hon. Gunnar S. Thorvaldson moved, pursuant to notice:

That the Standing Committee on External Relations be authorized to review the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization;

That the committee have power to send for persons, papers and records.

He said: Honourable senators, it is understandable that in this house there should be general and continuing interest in the subject of Canada's relationship with other countries of the world. For one thing, in the Senate there sit many persons who have come here directly from the other place, where, to my knowledge, some of them were dedicated students of foreign affairs. But more especially we have here people of more mature years who have had greater opportunity than younger men to contemplate the broad problems involved in our external relations.

Furthermore, I think it to be our common belief that honourable senators should have opportunities to meet with the Secretary of State for External Affairs and other officials of his department and, indeed, with other ministers whose work may touch upon the subject of external relations, and thus keep abreast at first hand of the events in the international sphere in which Canada is a participant.

Also, by reason of the mature experience of so many honourable senators in this field,

it seems to me that we should not merely desire to listen to what is being said by others in these matters. On the contrary, I am sure that this house can make a definite contribution towards the thinking on the various problems in the broad field of international relations.

Indeed, I think it has been customary that not only should the Standing Committee on External Relations have the function of examining bills that come before this house respecting our external relationships; it should also take a positive part in making the influence of this body felt in these relationships.

This motion, therefore, besides having the stated effect of authorizing the Standing Committee on External Relations to review the present role of Canada in international affairs, may also serve as an opportunity for honourable senators to make themselves heard in this house with regard to these problems.

I think one can say with certainty that in so far as Canada is growing and developing in strength and power at a faster pace than most countries of the world, it seems evident that as the years go by this country will require to take a more and more active part in the consideration of international questions and their settlement. This fact alone may give added interest to the subject-matter of this resolution. I hope honourable senators will take advantage of it and let the house hear their views in respect of Canada's role in international affairs.

Hon. W. Ross Macdonald: Honourable senators, before the motion is adopted I would like to advance a suggestion which I made when I spoke on the address in reply to the Speech from the Throne. Honourable senators will have observed that the motion authorizes a review of the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization. It will be recalled that I pointed out that at the last session of the General Assembly of the United Nations the Senate had a single representative there and for only part of the time. We had a most capable representative, one of whom the members of this house could be proud, the honourable senator from Mille Isles (Hon. Mr. Monette). Unfortunately he could not stay throughout the session. When he left, his place was taken by another distinguished and capable member of this house, the honourable gentleman from Shawinigan (Hon. Mr. Méthot). Unfortunately again, this honourable gentleman also could not remain for the balance of the session, and his place was taken, not by another senator, but by a member of the House of Commons. I do not even know who he was. He may have represented the Senate well, but my point is that a member of the Senate should have been delegated. I will even go so far as to say that if there was no one available from among the Government supporters in the Senate, then surely someone could have been appointed from the Opposition side of this house. After all, in this chamber we are not very strict about supporting one side or the other. In any event, this house was not represented at the latter part of the sittings of the General Assembly of the United Nations.

I am going to renew my appeal to the honourable Leader of the Government (Hon. Mr. Aseltine) that representations be made to the Government, and especially the new Secretary of State for External Affairs. He is a man well known to all of us. He is reasonable, as was his predecessor, but the latter had not been in Parliament long and probably was not as familiar with the workings of Parliament as is the present minister. I do feel that representations should be made by His Honour the Speaker and the Leader of the Government that at the next sitting of the General Assembly of the United Nations at least two members of the Senate be appointed delegates, one of them from the Opposition side of this house.

Hon. Mr. Aseltine: In effect the protest of the honourable Leader of the Opposition (Hon. Mr. Macdonald) has already been registered, and I hope for better results next time. I do not suppose the honourable senator has ever been overlooked in a matter like this, but I would point out that this is not the first such occasion on which the Leader of the Government has not been consulted in the way he would have liked.

Hon. Mr. Croll: Honourable senators, I did not know this matter was coming up today. I will therefore move adjournment of the debate.

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

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-144, for the relief of Shirley Loraine Knodell Burke.

Bill SD-145, for the relief of Rene Lassonde.

Bill SD-146, for the relief of John Pastor.

Bill SD-147, for the relief of Margaret Dunn Hepburn Sanderson.

Bill SD-148, for the relief of Maurice Sykes Ward.

Bill SD-149, for the relief of Clark Alvin Graham.

Bill SD-150, for the relief of Noeleen Natalie Adams Lamond.

Bill SD-151, for the relief of Harry Gillman.

Bill SD-152, for the relief of John Philip Bowers.

Bill SD-153, for the relief of Carl August Christensen.

Bill SD-154, for the relief of Barbara Joan Marsh Wolfe.

Bill SD-155, for the relief of Barbara Ann Tuppen McIntosh.

Hon. Jean-François Pouliot: On division. Honourable senators, with regard to these bills, may I ask the honourable chairman why the numbers of the reports do not correspond to the numbers of the bills? The present system makes a study of the bills much more difficult. For instance, on the report No. 153 we have Bill SD-144. To put it another way, looking at the Orders of the Day, Order No. 1 shows Bill SD-144, while the number on the report is not 144, but 153. The second bill in the order for third reading is numbered SD-145, while the number on the corresponding report is 154. The third one is numbered SD-146, while the report is 155, and so on. I will ask the honourable gentleman if he will be kind enough to explain why the figures do not correspond to each other.

Hon. Mr. Roebuck: Honourable senators, I did not have notice of the question, and perhaps it is a little difficult to give a satisfactory explanation. The reports are numbered not with reference to the bills but in order as they are presented. Later on the reports are considered by this house, and, if adopted, a bill based upon each of them is presented. The number of a bill has no particular reference to the number of the report; rather each bill is given a number in the order of its presentation. I am not sure that it is possible to change that arrangement. It might be of some advantage to have a reference on the bills themselves to the reports on which they are based; that could be done if it would be of any real service to the senators who are looking them over. If anyone desires us to do that I am sure we would be prepared to accommodate him. Offhand, I do not see how we could make the number of the bill coincide with the number of the report: they are two entirely different things, they come at different times and so in different order. However, I will look into the matter and see if I can accommodate my honourable friend.

Hon. Mr. Pouliot: I thank the honourable gentleman. It might not be difficult to do what he suggests if we had not three sets of bills. We have "C" bills that come from the House of Commons, we have "S" bills from the Senate but not relating to divorce, and the "SD" bills which are Senate divorce bills. As there is a special category of bills pertaining to divorce, it would be much easier to have corresponding numbers for the reports and for the bills than it would be if we had only one category of bills in the Senate. We have on the Order Paper bills bearing certain numbers, and we have those bills on our file, but there is nothing to indicate the reports on which they are based. An indication could be given by mentioning both numbers, the number of the bill and the number of the report, and then there would be no difficulty.

There is the additional difficulty that we receive them in haphazard numbers. I hope that I make myself clear. Instead of having 1, 2, 3, 4, 5 and so on we have, say, 1, 5 and 20, and then we have other bills that come in between. The numbering is not consecutive, and it takes a lot of work; it takes the time of the stenographer to put the whole thing in order, when it should be presented to us in a logical manner. I do not mention the names of the parties, for I am interested only in the practice. The practice has been changed and amendments have been made to the rules of the Divorce Committee, but they are made when the honourable members are hearing the cases, and we who are not present know nothing about the matter. The members of the committee know that a divorce case is between a certain husband and wife. But the rest of us have only the names of the parties. Those names pass very quickly in front of us, with the result that we know nothing about them; and it requires weeks of work in order to know what case has been dealt with before the Senate when a bill is passed. They are processed fast. And we are not content to pass one bill at a time; we pass a bunch of bills at a time, and we do not know any more about a number of bills together than we know about each one in particular.

Therefore it would be a great victory over ignorance to know something about these bills. To achieve this we would have to take the bills separately and catalogue them one after the other, with supplementary numbers for the bills and for the reports.

The report must come necessarily after the bill because it is the bill that is referred to the committee after having been read.

Hon. Mr. Roebuck: It is the petition that is referred to the committee.

Hon. Mr. Pouliot: Does the petition have a number or is it without a number?

I understand that the petition comes to the house. The Divorce Committee cannot examine any petition unless it is ordered to do so by the Senate. Does the number of the petition correspond to the number of the report? They at least must correspond with each other, it would seem, or there would be more confusion.

I hope honourable senators understand what I am trying to explain. What creates some embarrassment is that the numbers on the reports and on the bills are not the same and there is no reason for that. When the petition comes before us it has no number, and must be filed with the name of the individual, but that does not help us. In the keeping of files it is essential that the numbers correspond with each other.

I would like to have the other side of the picture. It may be different from what I say it is. All I want to do as a member of the Senate is to understand what is going on in this chamber, and with the present system in divorce proceedings it is impossible to understand anything or to answer any question. The members of the Divorce Committee do their work conscientiously, but what do the other senators know about the bills? We know nothing, and yet we pass them just the same. I find it revolting that the Senate passes legislation without being properly informed about it. Mark you, honourable colleagues, I say that not at all by way of criticism of honourable senators who do their duty on the committee; but this is a system which is functioning wrongly, and there is nobody in this chamber who can justify the Senate for passing legislation when we know nothing about it.

In the first place all I ask for is information so that we will know what is being done, not for purposes of criticism, but just to be informed and to be in a position to answer the press, or anyone who asks about this kind of work that is done by the Senate, a kind of work which is different from all other work, which is studied deeply and conscientiously by all. It is a particular work which deserves great attention.

I have expounded my opinion about it and I hope to be enlightened by those who know more than I do. But at the present time at least three-quarters of the members of the Senate know nothing about the divorce legislation that passes like a cinema before our eyes. We see just the titles of the bills. We must pass 10 or 20 or 30 bills at a time, otherwise we would be considered narrow-minded and not aware of our duty, which is to pass this legislation with closed eyes!

I do not feel like reading all those reports, but if I want to read one for my own or someone else's information, I would hope to be able to single it out from the others and be posted on it.

That is all I have to say, honourable senators.

Hon. Mr. Roebuck: Honourable senators, I have already given the honourable senator my assurance that I will look into this matter and see if we can make the work of matching the bills with the reports a little easier for him. But I see no reason for the heat with which the matter is brought up. Every bill and every petition and every report has the name of the petitioner clearly indicated upon it and they run in a general way in succession—the early petitions are the early bills and so on. The matching up of the report with the bill by the name could be done in a very few minutes.

My friend complains that he knows nothing about the reports. Let me assure the house that I have never yet asked it to pass a report from the Standing Committee on Divorce unless the report was on the Clerk's table. Those that were presented today and set down for consideration at the next sitting were on the table when I made the motion. Any senator who wishes to look at any of them may do so right now or at any other time.

To say that it is an impossibility to follow the petitions, the reports and the bills is entirely wrong. It may be that we can make it a little easier for the honourable gentleman to match these reports and bills, but to say that honourable senators know nothing about this business and are passing bills with their eyes closed gives an absolutely wrong impression. It is impossible for the Divorce Committee to transfer knowledge of these bills to any particular senator. Every senator must get that knowledge for himself. My honourable friend said it would take weeks of work to follow these reports and bills, but let me say that it has taken weeks of work on the part of the committee to produce these reports. We sat five days a week during the last three weeks, and we are sitting now three days a week and will continue to do so for weeks to come. Of course, it is not easy to follow what the committee does, but I know of no way whereby we can simplify it. I cannot give my honourable friend a pill to swallow which would enable him to understand all this complicated and difficult work.

Let me point out that the numbers of the bills and of the reports necessarily do not correspond. There are many reports that are not followed by bills. In every case in which the petition is withdrawn and fees remitted,

no bill is presented. There are reports of the committee with respect to rules which we adopt from time to time, and of course no bills are necessary in those instances. So the order of the reports necessarily does not coincide with the order of the bills.

It may be that on every bill when it is presented we could note the number of the report upon which the bill is based. I will consider that suggestion.

I have been chairman of the Divorce Committee now for more than six years, and in that time this house has accorded me and my committee the honour, the distinction, of passing every report we have placed before the house. Every report, without exception, has been passed. We as a committee feel our responsibility in making reports which are so favourably received by our fellow senators and we are conscious of the confidence the house places in us. Of course, there is no attempt to conceal anything; the work and proceedings of the committee are an open book.

Any honourable senator has but to look at any report which I lay on the table and he will find the complete proceedings and even the very wording of the evidence upon which we have based our recommendation. It is there for everyone to read. The proceedings, the report and the evidence are all printed and sent to every senator and every member of the House of Commons. My honourable friend receives those printed reports and, if he has the industry to do so, he may read them from cover to cover.

Hon. Gustave Monette: Honourable senators, may I put a question to the chairman of the committee?

I note on the Orders of the Day for today the third reading of, for instance, Bill SD-144, an act for the relief of So-and-so. I also note on page 200 of No. 17 of the *Minutes of the Proceedings* of this house that Bill SD-144, an act for the relief of So-and-so, was given second reading on Thursday, February 18. If I am not mistaken, Bill SD-144 in each instance pertains to the same person. I take it, therefore, that that bill carries the same number, SD-144, throughout its second and third reading stages?

Hon. Mr. Roebuck: That is right.

Hon. Mr. Monette: And I assume that when the bill was first presented to the house it bore the same number, SD-144.

Hon. Mr. Roebuck: That is correct. At the time of first reading the bill is given its number.

Hon. Mr. Monette: So, am I to understand that from the first reading of a bill until it is given third reading and passed by this house it bears the same number?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Monette: So anyone who wishes to see what has happened with respect to a divorce bill may follow its progress by reference to a specific number.

The honourable chairman of the committee (Hon. Mr. Roebuck) has said that the report of the committee may not always carry the number that is applied to the corresponding bill. As has been said, it may be possible to have the number of the report which deals with the evidence of investigation and so on related to the bill which follows the report. If that were done one could easily trace the course of a particular divorce petition and the bill based thereon through their various stages.

Speaking for myself, I say very humbly that I am satisfied with the explanation that has been given. Moreover, for the moment I cannot participate in the very great work of the committee, and my feeling in that regard is respected by this house. I am not, therefore, inclined to criticize the work of the committee.

Hon. Mr. Hugessen: Honourable senators, may I point out to the honourable senator from Mille Isles (Hon. Mr. Monette) that the bill to which he refers as an example, Bill SD-144, was given first reading on February 17, and that it bears the same number on first reading as it does on third reading.

Hon. Mr. Monette: And that bill refers to the same person?

Hon. Mr. Hugessen: The same person.

Hon. Mr. Monette: May I repeat that I am fully satisfied, and do not intend to criticize my honourable friends who have the courage to do the tiring work of the Divorce Committee and do it so well.

Hon. Mr. Pouliot: Honourable senators, on a point of order, my honourable friend who has just spoken did not understand the point I made. I agree with him that a bill bears the same number throughout its first, second and third readings. My point was that the number of the report is not the same as that of the bill which follows it, and that makes for difficulty if we have to look up certain bills during the week-ends when the office of the Clerk of the Committee is closed.

I do not want my honourable friend to impute a motive to me. I have a high regard for the committee staff and other public servants who serve the committee, as I have for the senators who sit on the committee.

My point was that I wanted the numbers on the reports to relate to the numbers on the respective bills. Let me say, I never fail to give due praise to the senators who do the painstaking work of the Divorce Committee.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 18, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, after offering my best wishes to our Queen, I feel it is my duty to extend my most respectful greetings to our Governor General, Mr. Vanier, whose whole life has been a model of dignity and courage. Both he and his worthy wife are living symbols of the nobility of character we admire.

May I express in the same tribute my congratulations and good wishes to the mover and seconder of the Address, to you, Mr. Speaker, to the Leader of the Government, to the Leader of the Opposition as well as to our new senators.

It is sometimes claimed that compliments and congratulations mean nothing. I am rather inclined to believe, with Lacordaire, that, although "love" is only a word, it takes on new meaning with every repetition. Similarly, congratulations take on a new meaning every time they are expressed with sincerity.

The Speech from the Throne indicates that "Canada's general economic position has greatly improved during 1959". And it adds that "the prospects for 1960 are favourable". But despite these results and the forecasts for 1960, there are still some causes for surprise and amazement.

Our exports during 1959 reached $5,179.6 million, which is very nearly a record and quite an increase over 1958. On the other hand, our imports exceeded our exports by several hundred million dollars, our total imports being $5,634.7 million. It was especially with the United States that our trade deficit increased in 1959.

Moreover, the number of housing starts for municipalities with a population of 5,000 or more dropped by 7 per cent. This is probably due, in part, to increased construction prices and to the higher interest rate.

If we are to maintain our economic activity, we must do everything we can to promote construction, which supports the economic progress of the country better than any other industry. I fear that such will not be the case in 1960 and that construction may slow up considerably.

But there are some institutions which are still lending money without any help from the Central Mortgage and Housing Corporation, I mean the Quebec *caisses populaires*. In 1959, the Quebec *caisses populaires*, which are only small organizations, made loans on mortgages amounting to $83,786,000, as against $77,176,000 in 1958, and these figures do not cover all the loans made because a great deal more money was loaned to their members. The average interest rate charged by the *caisses populaires* is 6 per cent, including insurance in case of death.

During 1960, the *Caisses populaires* will probably not be in a position to lend as much because they also are finding that savings are not expanding as much as last year; nevertheless, they will still be able to give efficient help to the small wage earner.

From the monetary angle, we have during the last year witnessed extraordinary changes which leave us somewhat puzzled. On the one hand we have the high interest to be paid on loans today and, on the other, the scarcity of savings to be found in financial institutions.

In an address he gave last January in Winnipeg, the Governor of the Bank of Canada had this to say: "For the last five years, we have been living beyond our means." In other words, if we want to continue prospering and developing, let us live within our means.

Over the last ten years the value of goods and services produced has nearly doubled, going from $16,343 million in 1949, to $34,750 million in 1959.

True, at least half of such gain may be laid to price increases, but the fact remains that the volume of production has increased 50 per cent in 10 years, and this is particularly interesting when you consider that Canada's population showed an increase of only 27 per cent during the same period. I would also point out that, over the last ten years, the average real personal income has increased 20 per cent, from $950 to $1,150.

These developments could not be entirely financed by the savings of Canadians. We have had to import a great deal of capital, machinery and equipment. These last few years our capital investments represented 25 per cent of the gross national product, while in the United States such investments did not exceed 18 per cent of the gross national product.

According to the federal Bureau of Statistics, direct foreign investment has, in Canada, increased from $2,713 million in 1945 to $8,829 million in 1956; and foreign investment, through the purchase of Canadian shares and bonds, from $4,379 million to $6,727 million over the same period.

And if we go further back, we find that in 1930 capital invested in Canada totalled $7,614 million; in 1945, $7,092 million; and in 1956, $15,556 million. In 1957-58 we imported still more capital.

According to the Gordon Commission report, 68 per cent of the capital invested in the oil industry comes from abroad. Foreign capital accounts for 51 per cent of our chemical industries, 95 per cent of our automobile industry and 45 per cent of the pulp and paper industry.

It is claimed, moreover, that 60 per cent of the capital invested in our manufacturing industries is owned by non-residents.

We fully agree with the Governor of the Bank of Canada when he claimed in Winnipeg, on January 18 last, that we were spending too much, that the rate of development of our personal savings is not in harmony with that of the economic development of the country and that we are importing too many consumer goods, all of which helps to tip the balance of our imports, as against our exports.

In expanding too fast, we have to borrow too much from abroad and all the profit on such capital leaves the country. We are also importing too heavily in equipment and consumer goods and are thus running a dangerous risk of throwing our economy out of balance, of losing gradually our economic autonomy, and, by the same token, of weakening the foundations of our political liberty.

I said that savings in our financial institutions had increased much less in 1959. In 1958 private savings in the banks had gone up more than $600 million but in 1959 the increase was only $56 million. This is certainly due, in large part, to the sales of bonds by the federal and provincial Governments, by municipalities and by large corporations. Depositors, instead of leaving their money in the banks at 2¾ per cent interest, prefer to take advantage of the higher interest rates on bonds.

I gave certain figures. May I offer a few more. I said chartered banks in 1958 had increased their savings by more than $600 million. Let us now look at the year 1959. During the first six months the chartered banks saw their savings increase slightly more than $357 million, but during the last six months, there was a decrease of more than $301 million, which means a surplus of a little more than $56 million.

There is something that surprises me. It is claimed that figures can be juggled so as to mean anything you want them to. I read in the Statistical Review of Canada, issued on February 9, 1960, that:

> Chartered bank loans, at the end of November, totalled $6,261 million, which is an increase of nearly 18 per cent over the $5,325 million of November 1958.

It is often said that the banks are no longer lending money, but these figures would seem to disprove this contention.

True economic progress cannot be maintained unless it is based on monetary stability. That means that we must prevent inflation in any form. It would also seem that consumer credit is much too extensive. One of the reasons for this is the extravagant publicity by which our people are led to believe that the most futile things are absolutely necessary; as their needs expand, the people go into debt. And they go into debt not only in order to purchase, but in order to borrow at fabulous interest rates, ranging from 24 to 36 per cent.

As Mr. A. S. Paradis, the president of the Quebec East *caisse populaire*, so aptly said at a recent meeting of the members of his organization: "Let us live within our means if we want to have the means to live". This should be the slogan of all well-thinking people.

In spite of high interest rates, people have become somewhat suspicious of the future particularly as concerns long-term bonds. Short-term bonds sell rather quickly, but long-term ones are not so much in demand.

Our colleagues from the west often speak of the problems of the farmers in their part of the country. I should like to take this opportunity to examine the problem of eastern farmers, from Ontario to the Atlantic coast.

While western farmers are up against complicated economic difficulties, those in the

east are often faced with a much more distressing situation.

Some economists contend that, with the increase in population throughout the world, in a number of years the earth's production will be insufficient to feed mankind. On the other hand, we in Canada have millions of bushels of unsold wheat, hundreds of thousands of cases of eggs and hundreds of thousands of cases of canned pork in stock. The situation is still more alarming in the United States. However, the Canadian farmers, and especially the farmers in eastern Canada, are in a difficult economic situation. When a report by the Dominion Bureau of Statistics claims that the cost of living is down, the data when analysed shows that only the price of agricultural products is down, while that of all other commodities is going up.

Why do we have such large surpluses of certain products? Is it because large commercial or industrial businesses have tried to take the farmer's place and in so doing have deprived him of a fair standard of living? Rural people leave the farm. Farmers' sons are no longer interested in living in the country and move to the cities. If some day the land is no longer capable of feeding mankind, it will not be because it is no longer productive, but indeed because it has been abandoned.

Under present conditions farmers' sons are no longer interested in staying on the farm. Why, they ask, should we work ten, fifteen or eighteen hours a day on the farm while in the city people are working eight hours a day, five days per week. Indeed they may be working only six hours a day soon. In addition, salaries are higher and living conditions are better. Why should we remain on the land, always hard up, with no hope of ever making both ends meet? Farming is dying out for lack of workers.

According to the latest statistics published on February 8, 1960, the index of prices obtained by farmers for their products last December was 231.4, a decrease of 2.5 compared to the revised figure for November 1959. That index also represents a 6.4 decrease compared to the December 1958 figure of 237.8. That means that farm product prices are down 6.4 points in a year, while the farmer has seen the price of commodities that he has to purchase increase from 237.4 in January 1958 to 252.5 in August 1959, the latest figures that I was able to obtain. Now, adding that 15.1 increase in the cost of goods that the farmer has to buy to 6.4 decrease in the selling price of his products during 1959 you get a difference of 21.5 to the farmer's disadvantage. The situation is becoming very serious and must be taken care of.

Canada is not the only country where farmers are faced with hardship. Our neighbours to the south also have to contend with similar difficulties. An investigation carried out by the American Agricultural Marketing Service has shown that the cost of marketing agricultural products in the United States went up from $9 billion to $36 billion between 1940 and 1958, an increase of 400 per cent in 18 years. It was also shown by the same investigation that only 40 per cent of the consumer's dollar is retained by the farmer, while 60 per cent is absorbed by overhead or marketing costs.

The problem is no different in Canada. According to the report of the Royal Commission on Price Spreads in food products, published in September 1959—the figures shown in that report are for 1957 and earlier; it is unfortunate that the data for 1958 was unavailable as the differences would have been much greater—in 1957 the Canadian farmers received:

53.9 per cent of the retail price of beef;

59.7 per cent of the retail price of pork;

77.1 per cent of the retail price of butter. That percentage is much higher than those of the other agricultural products because of the support price of $0.64 a pound on butter.

70 per cent of the retail price of Grade A eggs;

37.5 per cent of the retail price of broilers;

53.5 per cent of the retail price of fluid milk;

41.1 per cent of the retail price of evaporated whole milk;

34.2 per cent of the retail price of wheat flour;

41.6 per cent of the retail price of potatoes;

18.3 per cent of the retail price of canned tomatoes;

25.4 per cent of the retail price of fresh apples;

44.8 per cent of the retail price of sugar beets;

20.3 per cent of the retail price of canned peas;

And the report adds:

It is claimed that the sale boosting services bring about price reductions, attract customers, increase the volume of business of an enterprise, reduce the costs per unit handled and finally

make it possible to cut the prices down. The evidence submitted in Part IV of the report shows that during the last decade, the increase in the volume of food consumed in Canada just about kept pace with the increase in our population. Consequently, it is obvious that the efforts of the foodstuffs industry—wholesale and retail processing plants—did not have much of an effect on the volume of *per capita* consumption of goods. It can rightly be expected that any rise in food consumption in Canada during the next ten years will follow the increase in our population, from a quantitative point of view. What is the use, then, of the numerous efforts made to push the sale of food products?

The report states that the average prices of 6 out of 10 items mentioned remained stable and that there was a slight increase in 1958; however, the farmer's share kept on decreasing in the case of pork, fluid milk, evaporated whole milk and processed cheese. If we look at the table included in that report and which covers the period from 1949 to 1957, we note that the retail prices paid to our farmers in general for agricultural products have a tendency to go down.

We feel that one of the main causes of the reduction in the prices paid to farmers is the cost of the competition between dealers in food products. The sale boosting methods used by those corporations are extremely costly and it is the farmers, first, and then the consumers who have to foot the bill.

It is said in that report that:

From 1949 to 1958 agricultural prices, that is the prices of primary products sold to the food industries, remained fairly stable but the retail price index of food products increased by 20 per cent. The value at the farm as compared to the retail value went down from 59 per cent to 44 per cent. In our analysis of sale costs (Part IV, Volume 11), we estimate that the prices of goods and services used in the sale of food products went up 43 per cent and that the marketing services increased by 28 per cent per food product unit.

We feel that the constant rise in the prices charged to the consumers should be a cause of concern. If that is the case, we must also take into account the elements tied in with the prices of goods, including the general cost increases and the nature of the additional services paid by the consumers. We have mentioned that competition in the field of services is considered as important. In our opinion, if a constant rise of the general level of retail prices is to be prevented, it is absolutely necessary for those who sell goods to become more and more interested in finding means of cutting down prices. By that, we mean that less importance should be given to competition in the field of services inasmuch as those services absorb price reductions.

I am not ready to say that everything that is contained in the report is correct and has been proved; there are certainly mistakes and erroneous judgments, because no human being is omniscient; one can make mistakes in certain fields because one has been ill-informed. An effort has been made, however; facts have been brought to our attention. It is for us to draw conclusions. I have been struck and troubled by one sentence though: it is said on page 66 that there is no solution to the farmers' problem. I have always thought that man could find solutions for problems created by his fellow-man, providing efforts are made to find such solutions. It is therefore, up to us to find a solution to that problem. Let us first examine the causes.

The farmer is an individualist. He lives on his farm as a king in his castle and he is little inclined to join with his neighbour in order that together they may do what they cannot do alone. It is hard for him to believe in co-operation. It is true that in certain localities in the east as in the west we have fine co-operatives. In my province of Quebec we have formed very fine ones. Unfortunately a small minority can sometimes destroy the wonderful work of a co-operative. However, we have a good reason to hope that the farmer will see in co-operation one of his best chances of success.

The Special Committee on Land Use in Canada—a committee which has been active in the Senate for the last three years—will study this problem and attempt to find a solution. Too many farmers in Quebec and in the Maritimes own small farms of low fertility. It would be more profitable if such lands were allowed to revert to forests. It may be that some people should abandon their present farms, to settle where the land can be cultivated more profitably and with better results. In certain areas such a policy would be hard to apply, but it may be the only alternative we have to achieve something in that field. In so doing, we would be in a position to place farming on a more practical basis and mechanize farm work; then we would be able to improve production and lower costs. Alone on his farm, the farmer cannot claim any longer that he can compete with the larger agricultural undertakings. I just singled out something that is more apt to kill farming than all other causes: it is the fact that today those big corporations want to organize what is called integrated agriculture. The mere thought of it is frightening. The feed man sells the farmer the feed he needs. He pays the latter so much per hog or per hundred in the case of chickens to look after the rearing of the stock. When the time comes for selling, it is very often the same organization that buys, with the result that prices get

lower. The feed man made his profit when he sold his goods and, when he buys poultry or pork at a lower price, he is protected. The farmer gets crumbs and he remains dependent upon those organizations. That is why I declare that one way to break away from that kind of bondage is to resort to the co-operative formula.

There is a thing that always struck me: when there was a reduction in the prices of agricultural products—eggs, beef, pork, etc.—such as the one that took place in recent years, did you benefit from this decline in prices when you bought those products at the grocery store? Very little. The operating costs of those large chain stores are so high that they cannot cut their prices and the consumers are so exacting that they cannot reduce the sale prices. Gift stamps must be paid for, because they are not free. Nevertheless, when some grocers refuse to use them, buyers go to the stores where they can get them. Stores cannot give free of charge goods that are fairly expensive. It is not only the organization that is to blame, but the consumer too. As a result, the farmer gets less for his products and becomes discouraged; and the consumer, unfortunately, falls into the trap. It would seem that people no longer stop to think, that they have no time left to reason things out.

If we want to give efficient assistance to the farmer, we must help him to produce economically, either by enlarging his farm or improving it, or by giving him access to productive lands. But where farms can be improved, one way to help the farmer is to lend him money at a reduced rate of interest. There are farmers who could improve the quality of their land, but who cannot pay 6 or 6½ per cent interest. They are hampered from the start. Then, they get discouraged and often lose confidence in themselves. Let us help them to become better producers by encouraging them at the beginning. The agricultural price support pattern which was adopted by Canada and the United States has benefited large corporations; industrialists have even built huge chicken houses and piggeries, but individual farmers cannot afford such costly equipment. How can they take advantage of the Agricultural Prices Support Act in the same way as those large organizations which could be described as financial organizations and which have created surpluses of certain agricultural products on the American markets as well as on ours?

The federal Government has replaced its price support formula by deficiency payments. What will be the results? I cannot say. Will the farmers experience once more a reduction in the prices of their products? Time will tell. However, one thing is certain: a new production system must be developed, and where land cannot be farmed economically it must be returned to the forest. Where the soil is good for farming, its productivity should be increased if possible.

By resorting to co-operative methods, establishing adequate agricultural credit and devising a system of land classification, I believe that it would be possible to help effectively our farmers. Would it not be appropriate for our Senate committee to deal in earnest with this problem, to set determinedly to work and, instead of merely receiving reports from every part of Canada, to take whatever steps are necessary to become well acquainted with the whole situation? Let the committee roam about, let it go to Nova Scotia, New Brunswick, Prince Edward Island, Quebec, Ontario, and then to western Canada; let it see for itself what is going on, what is being done or what should be done, let it visit the farmers at home. Country people do not all possess the education of university economists, but they have a sound philosophy, good horse sense, they are in a position to give advice and to show that the farming problem can be solved. Possibly, for a university professor or a city business man this problem may seem difficult but, I repeat, as it is a human problem it can be solved by humans. This may take years, but let us get to work in real earnest and we shall succeed.

Before concluding my remarks on agriculture, I would like to say a word about the reference to the maple sugar industry in the Stewart report. I believe that this is a peculiar problem and I do not want to blame the investigators or the secretary, but I feel that if people had been further consulted there would not have been erroneous statements made. For instance, it is erroneously claimed that in the province of Quebec the maple syrup is not as carefully prepared as elsewhere, that quality is lower because the product does not undergo preliminary refining on a scale comparable to that in the other provinces. Why, Ontario produces only an average of 3,500,000 pounds of syrup yearly compared with 25 to 30 million pounds in Quebec! I wonder what was the basis for such a statement. Indeed in Quebec in the last 20 years 95 per cent of rusty or hard-to-clean sap pails have been

replaced by aluminum buckets. Today, upon entering a sugar bush after the maple trees have been tapped and the sap pails hung, we have the impression that the pails are silver plated. A great number of sugar producers have replaced their old rusted spiles by aluminum ones. As a result, maple syrup produced in Quebec does not contain any lead and it is much clearer than it was in the past. Moreover, Quebec is the only province where grading of maple products is compulsory; indeed, grading is not in force in the other provinces. All the blame must not be laid on the commissioners and on the secretary, however, but they arrived at conclusions on a subject with which they were not familiar. They should have consulted those who knew before passing judgment.

To conclude my remarks about this farm problem, I admit that the problem is a difficult one, but it is not insoluble, and the more difficult it is the harder we must work in order to find a solution. Let our Senate committee strive more earnestly than ever and, thanks to the knowledge of some people and the experience of others, it will find a solution for the greater benefit of our farmers. Tomorrow perhaps we may set an example for our neighbours and, with better methods, we may achieve a more rational, more economic organization. The land will yield more products and those who have predicted that food will be insufficient to feed the people of the earth a hundred years from now will have merely repeated Malthus's error. There will be plenty of more wholesome and more evenly distributed food. Our country will not be a dying land, but a country where wheat grows in the living land.

At present, the unrestrained competition of Far Eastern countries arouses some fears. We should, we are told, act with more common sense, stop wasting, and stop weakening our material and spiritual resources. But apparently that cannot be done. We cannot ask a child to do without a lollypop or an adult to refrain from buying a costly rug for his home when he can buy one at a lower price and more in keeping with his means; those things are unthinkable because in a democratic country it seems we have the right to do what we please, the freedom to commit all sorts of foolish things that lead to ruin. That, it seems, is modern psychology: we must not prevent children or adults from asserting themselves, and how! In the United States people are showing some concern over such behaviour; some people have grave apprehensions about the future of democracy. Take, for instance, the great columnist Walter Lippmann, the great economist John Kenneth Galbraith, whose opinions are shared by educators and many serious-minded citizens. According to their theory, which is sound, we Americans and Canadians are becoming too soft, we are too fond of luxuries, we want to own the biggest and flashiest cars, the costliest houses, such as split-levels, etc.; we may have reached the point where we are almost worshipping material comforts. On the other hand, in Russia people live frugally, enormous efforts and money are being devoted to educate the nation; they are building industries, and, reckoning on our moral and physical decay, Mr. Khrushchev makes it a point to brag that within ten years Russian economy will have outstripped the American economy.

To live reasonably does not mean that one must live miserably, much less in poverty, but to live in an honest sufficiency. An honest sufficiency helps to practise virtue, while luxury, extravagance and abuse are contrary to virtue which keeps one in a happy medium.

It has become difficult to live reasonably and to restrain one's wants, because of the "education" we have had over the last twenty-five, thirty or forty years and because of the fact that we can obtain nearly everything without much effort. Some people have never learned to discipline themselves or to live with moderation.

To this rule of common sense, which reasonable people preach and try to practise, it is objected that it is hardly possible in a democratic country. If that is so, I fear that democracy will not survive much longer. It may be claimed that such remarks only serve to scare people, that such forecasts will never materialize and that they can only interfere with our progress. We have nothing against progress; on the contrary, we want it to continue, provided it is for the good of humanity and not for its enslavement. What we want is that there should be moral progress corresponding to technical progress and that material prosperity should rest on the progress of moral and spiritual values. Indeed, the true progress and peace of nations can only rest on the essential values which nurture the soul and raise the individual's mind and heart. Technical progress will turn to humanity's disadvantage unless it contributes to the survival of moral and spiritual values.

(Text):

I hoped that the speech I have just delivered would be not only heard but also understood by all the senators here, as I was under the impression that at the opening of this session the simultaneous translation system, as used in the other house, would be organized here. Unfortunately, it is not so.

Let us hope that in the near future we shall have a simultaneous translation system in this house.

On motion of Hon. Mr. Smith (Queens-Shelburne), debate adjourned.

PRIVATE BILL

ALGOMA CENTRAL AND HUDSON BAY RAILWAY COMPANY—REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Transport and Communications on Bill S-12, respecting The Algoma Central and Hudson Bay Railway Company.

Hon. A. K. Hugessen moved that the report be adopted.

He said: Honourable senators, perhaps I should offer a word of explanation of the one amendment which the report proposes in the bill.

This is a private bill of The Algoma Central and Hudson Bay Railway Company, which asks for certain special powers in relation to its internal organization, such as the holding of meetings of shareholders and so forth, slightly different from those which it would otherwise have under the general provisions of the Railway Act. The only amendment which the committee made was to specify that notice of meetings of shareholders should be given 20 days before the meeting instead of 10 days, as was suggested in the bill, 20 days being the standard period of notice provided for in the Railway Act.

Report adopted.

THIRD READING

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

Hon. Mr. Connolly (Ottawa West): Honourable senators, I move, on behalf of Honourable Senator Leonard, that the bill be read the third time now.

Motion agreed to and bill read third time and passed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 198*)

Exchange of Correspondence, including Aide-Mémoire, between United States and Canadian Officials concerning pilotage on the Great Lakes, dated February 19, 1960.

AIDE-MEMOIRE

In discussions of Great Lakes pilotage between United States and Canadian officials following the receipt of the Canadian Aide-Memoire of September 11, 1959, the Canadian officials were informed of the provisions of a proposed draft bill on the subject which was prepared by representatives of interested agencies of the Government of the United States. The principal purposes of the proposed bill would be to establish certain pilotage requirements for the navigation of United States waters of Great Lakes and St. Lawrence River by vessels operating on ocean routes to and from Great Lakes, and to provide a basis for a regulated system of pilotage to meet those requirements.

Provision is made for co-ordination of this pilotage system with a Canadian system on the basis of reciprocal recognition of and equitable participation by United States and Canadian pilots in the pilotage of the vessels to which the bill would be applicable. These pilots would be registered by an appropriate agency of their respective countries, and vessels to which the bill is applicable would be required to have registered pilots in their service for the navigation of designated United States waters. It is the understanding of the United States Government that Canadian waters will also be designated in which the services of registered pilots will be required.

In undesignated waters of Great Lakes, the vessels to which the proposed bill would be applicable would be required to have on board either a registered pilot or an officer of their regular complement who would be qualified for the navigation of the undesignated waters and licensed either by United States Coast Guard or the appropriate agency of Canada.

As a result of the above-mentioned discussions, the Canadian representatives indicated that their Government would be prepared to recommend to Parliament that legislation be adopted permitting co-ordination on the above indicated basis, if United States enacted legislation along the lines of the proposed draft bill. It is the United States Government's understanding that provision would be made to restrict the registration of Canadian pilots to persons, other than members of the regular complement of a vessel, who hold a masters certificate or equivalent licence, unlimited as to tonnage, issued by the Department of Transport to authorize navigation of Great Lakes and pilotage services on routes specified therein.

The term "equivalent licence" as used in the proposed United States draft bill means a licence issued to a St. Lawrence River pilot to authorize the navigation of those portions of the river specified therein. In this connection Canadian officials explained that St. Lawrence River pilots are specially trained for pilotage in the districts for which they are licensed, and that they are not required to obtain a master's certificate, although some do hold such a certificate. Under the proposed co-ordinated arrangements, Canada would register the holder of a St. Lawrence River pilot's licence solely for pilotage service on that river.

The Canadian officials further indicated that the Canadian Government would include in any proposed legislation such provisions as might be considered necessary to authorize the Department of Transport to issue certificates qualifying for the navigation of the "open" (i.e. undesignated) waters of Great Lakes those officers of the regular complements of ocean vessels who meet the following requirements:

(1) Hold an appropriate certificate of competency as master, valid for voyages in any part of the world and issued or recognized by the country in which the ship is registered.

(2) Have the experience of at least two round trips, within the preceding two years, in the "open" or undesignated waters of Great Lakes where the vessel will be operating.

(3) Possess a working knowledge of Great Lakes rules of the road as evidenced by exam.

(4) Have proficiency in the English language, to be tested also by exam, sufficient to make effective use of the radiotelephone.

(5) Have knowledge of the practice of following separate upbound and downbound courses on Great Lakes, giving due regard to the suitability of such courses for deep draft vessels.

The substance of the proposed draft bill which was the subject of the above-mentioned discussions is now embodied in a bill introduced in the Senate as S 3019. The Government of the United States of America

would appreciate being informed as to the accuracy and applicability of the foregoing understanding of the intentions of the Canadian Government with respect to S 3019.

The State Department,
Washington, D.C.,
February 19, 1960.

February 19, 1960

Mr. Ivan B. White,
Department of State,
Washington, D.C.

Dear Mr. White,

The agreement of the Canadian Government which is transmitted concurrently herewith to the terms of the Aide-Mémoire in regard to the Bill on Great Lakes pilotage is subject to the following reservation. Section 9 (c) of the Bill does not fully meet the Canadian requirements in that lake vessels which occasionally operate through the St. Lawrence to the Maritime Provinces in the Canadian coastal trade are not covered. The Canadian Government considers that these vessels should be covered and understands that United States officials concerned with this matter are sympathetic to the Canadian position.

During discussions between the appropriate officials of our two governments, United States officials indicated that the position of such vessels could be protected under Section 3 (a) by not being designated pursuant to the Section.

We would appreciate receiving assurance that in the event S-3019 is enacted into law, the Department of State will recommend to the President that Canadian vessels operating primarily on the Great Lakes and St. Lawrence River which make occasional trips to the Canadian Maritime Provinces in the Canadian coastal trade be excluded from the designation of foreign vessels to be made by the President under Section 3 (a) of the said bill.

Yours sincerely,
S. F. Rae

Canadian Reply

Aide-Mémoire

An Aide-Mémoire presented to the Canadian Embassy in Washington by the Department of State on February 19 outlines the manner in which Canadian and United States legislation aimed at establishing certain pilotage requirements for the navigation of the waters of the Great Lakes and St. Lawrence River could be co-ordinated if the legislative proposals contained in a Bill known as S 3019 are approved by the United States Congress. In the event that that Bill does become law in the United States, it is the intention of the Canadian Government to submit to the Canadian Parliament legislative proposals which would effect just such a co-ordinated pilotage régime in the Great Lakes in the manner indicated in the United States Aide-Mémoire.

February 19, 1960

Mr. S. F. Rae,
Minister,
Canadian Embassy,
Washington, D.C.

Dear Mr. Rae:

With reference to your letter of this date in which you request assurance that, in the event S 3019 is enacted into law, the Department of State will recommend to the President that Canadian vessels operating primarily on the Great Lakes and St. Lawrence River which make occasional trips to the Canadian Maritime Provinces in the Canadian coastal trade be excluded from the designation of foreign vessels under Section 3 (a) of the said Bill, I take pleasure in stating that the Department will make such a recommendation.

Sincerely yours,
Ivan B. White

THE SENATE

Wednesday, February 24, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following report:

Report of the Superintendent of Insurance for the year ended December 31, 1958, being Vol. I Abstract of Statement of Insurance Companies in Canada, pursuant to section 9 of the Department of Insurance Act, Chapter 70, R.S. 1952.

PRIVATE BILLS

CONVENIENT CREDIT LIMITED—FIRST READING

Hon. Gustave Monette presented Bill S-22, to incorporate Convenient Credit Limited.

Bill read first time.

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

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

Motion agreed to.

CANADIAN REASSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-13, to incorporate Canadian Reassurance Company, and had directed him to report the same to the Senate with two amendments.

Amendments read by the Clerk Assistant:

1. Page 1, line 25: After "thereon." add the following:

"It may then transact all or any of the classes of insurance authorized by section 7 of this act."

2. Page 2, lines 3 and 4: Strike out clause 7 and substitute therefor the following:

"7. The company may undertake, transact and make contracts of insurance, including contracts of reinsurance, for all or any of the following classes of insurance:

(a) life insurance;
(b) personal accident insurance;
(c) sickness insurance."

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Hon. Mr. Macdonald: Explain.

Hon. Mr. Hayden: Honourable senators, you will have noted from the reading of the report that two amendments were made. The second one is the important one. The first reference to the subject-matter occurred when the bill was being given second reading. Briefly, I may say that the purpose of this amendment is to put into the bill a specific authority or power to engage in the business of reinsurance rather than have the company rely only on the ancillary power to engage in reinsurance as provided for in the Canadian and British Insurance Companies Act. In that statute, which is a governing statute for insurance companies, there is a provision that if you incorporate in accordance with the form which is contained in Schedule I of the act, by virtue of so doing you acquire certain ancillary powers, one of which is power to reinsure your risks and, in the language of the act, to reinsure risks of another company carrying on the same kind of business. The difficulty facing the sponsors of the bill was this: if you had a company such as this company which was going to engage in the business of reinsurance, even though it had power to write life insurance and personal accident and sickness insurance, could you say that at the time it reinsured a risk of a life company directly carrying on life business it was at that instant carrying on the same class of business as the life company? Some of us in the committee felt very strongly that we could not go that far. After the discussion had taken place I stated, as one of those taking this position, that if the sponsors of the bill still insisted they would like it to remain in the form in which it was presented, I for one would make no further objection. They then agreed that they would like to have an amendment in accordance with the point of view which had been expressed by myself and others.

The sole purpose of the amendment is to make absolutely certain that the company can carry on reinsurance business in the fields that are provided in a broader way as a special power, rather than in the narrower way which may be open to it as an ancillary power under the provisions of the Canadian and British Insurance Companies Act.

Report adopted.

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

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

MUNICH REINSURANCE COMPANY OF CANADA —REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-14, to incorporate Munich Reinsurance Company of Canada, and had directed him to report the same to the Senate with two amendments.

Amendments read by the Clerk Assistant:

1. Page 1, line 13: After "Canada," insert the following:—
"and, in French, La Munich, du Canada, Compagnie de Réassurance,"
2. Page 2, line 4: After "insurance" insert the following:—
",including contracts of reinsurance,"

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

Hon. Mr. Hayden: With leave, I move that it be adopted now.

Honourable senators, perhaps it will suffice to give only a short explanation of the proposed amendments. The purpose of the second amendment is to provide the company with special power to engage in reinsurance, and the reasoning which applied to the amendment to Bill S-13 applies to this bill. The same motive impelled the committee to make the change, and the change was accepted by the sponsors of the bill.

The other change was made at the request of the sponsors of the bill so as to provide for the name of the company in French. The bill itself originally provided for the name in English only.

Report adopted.

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

Hon. Mr. Hayden, for Hon. Mr. Molson, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 218 to 236, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

INTERNAL ECONOMY

REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's first report.

Report read by the Clerk Assistant:

The Standing Committee on Internal Economy and Contingent Accounts make their first report, as follows:

1. Your committee have in, obedience to the order of reference of February 9, 1960, considered the following report from the Civil Service Commission:—

"To the Honourable Members of the Senate
The Civil Service Commission has the honour—"

Some Hon. Senators: Dispense.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

SECOND REPORT

Hon. Mr. Brunt presented the second report of the Standing Committee on Internal Economy and Contingent Accounts.

Report read by the Clerk Assistant:

The Standing Committee on Internal Economy and Contingent Accounts make their second report, as follows:

1. Your committee have, in obedience to the order of reference of February 9, 1960, considered the following report from the Civil Service Commission:

"To the Honourable Members of the Senate
The Civil Service Commission—"

Some Hon. Senators: Dispense.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

THIRD REPORT

Hon. Mr. Brunt presented the third report of the Standing Committee on Internal Economy and Contingent Accounts.

Report read by the Clerk Assistant:

The Standing Committee on Internal Economy and Contingent Accounts make their third report, as follows:

Your committee recommend:—

Some Hon. Senators: Dispense.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

NOTICE OF INQUIRY

On the Notice of Inquiry by Hon. Mr. Pouliot:

That he will inquire of the Government:

1. Are there any correlative obligations and responsibilities to the Canadian Bill of Rights referred to in the Speech from the Throne of this session?
2. If so, what are they?

Hon. Jean-François Pouliot: Honourable senators, this inquiry has been standing on the Order Paper since February 3 and I am wondering when the Government will answer it.

Hon. Mr. Aseltine: Some little time ago I informed honourable senators that every day we endeavour to obtain answers to questions on the Order Paper. I have not yet been able to get an answer to this inquiry of the honourable senator from De la Durantaye (Hon. Mr. Pouliot). While I am on my feet I might say that the Government is at a loss to know exactly what the honourable gentleman means by his inquiry and I would be glad if he would elucidate it, if convenient.

Hon. Mr. Pouliot: I shall do so in due course.

Hon. Mr. Aseltine: I do not mean now. I would appreciate it if you would tell me privately afterwards just what information you require.

Hon. Mr. Pouliot: I am always ready to oblige the honourable Leader of the Govermnment (Hon. Mr. Aseltine).

NOTICES OF MOTIONS

Hon. Mr. Pouliot: Honourable senators, there are two motions standing in my name on the Order Paper, asking for the production of certain papers. In the House of Commons the practice was to ask a question and have it answered by the Government, and we used to make a motion for the production of papers. I do not intend to debate the motions standing in my name, but I would very much like to have the papers that are referred to in the motions made available. These motions are very clear and easy to understand. The same is true of my inquiry.

Hon. Mr. Aseltine: I was not referring to the motions of the honourable gentleman when I asked him to elucidate. I was referring to his inquiry which to me is not intelligible.

Hon. Mr. Pouliot: It is, but the honourable Leader of the Government (Hon. Mr. Aseltine) does not want to understand it.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Donald Smith (Queens-Shelburne): Honourable senators, first of all may I join with those who have already complimented the mover and the seconder of the address in reply to the Speech from the Throne. I do so with a great deal of pleasure. In the case of the honourable gentleman who moved the address, he and I are old friends from away back in House of Commons days. I particularly compliment him on his speech, which I read in *Hansard*, and I welcome him most heartily to this chamber.

An excellent speech was made also by the seconder, the honourable gentleman from Colchester-Hants (Hon. Mr. Blois) who, like the mover, has joined us this session. I trust that he will continue to be one who, as occasion permits, will join with the rest of us from Nova Scotia in pointing out the beauties of our native province.

I am delighted to join with those who have already congratulated the new lady member, the honourable senator from Lisgar (Hon. Mrs. Irvine), upon her appointment to this chamber. Since she has already participated in this debate I now have the opportunity to congratulate her on her ability to make an excellent speech.

I wish our new colleagues well in their future work in the Senate.

Honourable senators, as has been indicated by my colleague the honourable senator from Hastings-Frontenac (Hon. Mr. White), it was my good privilege and fortune to be chosen as one of the delegates from Canada's Parliament to attend the Biennial Conference of the Commonwealth Parliamentary Association, which last fall met in Australia. I at first express my grateful appreciation for this opportunity which was presented to me. I wonder whether the fact two members from this chamber were appointed as delegates to this conference is not a rather good reflection on the influence that our good friend the honourable Leader of the Government (Hon. Mr. Aseltine) has on what is going on in Parliament in general. I suspect that he had quite a bit to do with it and I wish him success in any future endeavours in connection with such activities. I will not say whether the Senate of Canada was well represented, for I do not know. It is not for me to say. I do maintain that

when two delegates from the Senate can join with six or seven delegates from the House of Commons, we must concede that this should be considered more or less adequate representation from this body.

Hon. Mr. Brunt: And good representation too.

Hon. Mr. Smith (Queens-Shelburne): In order that the honourable Leader of the Government may not feel too highly complimented on this matter of pressing for greater representation from the Senate, I should include in my compliment the honourable Leader of the Opposition (Hon. Mr. Macdonald), who on several occasions has gone on record urging that the Senate have greater representation at functions of this kind.

Of course, the opportunity to attend the conference brought many other opportunities with it. I think the most important of all the other opportunities was that of association with delegates of all races, colours and creeds from parliaments of every commonwealth country and from all parts of the world. Travelling as we did by air, rail and highway on a six-weeks' pre-conference tour of Australia, there was a continuous opportunity for close association and exchange of ideas; and I may say that if no conference had been held the mutual benefits derived from the exchange of ideas would have made my long journey to that great country of Australia quite worth while.

I do not intend to deal with what went on at the conference, except to say that it did discuss subjects of great importance of an economic, social and international nature, and the discussions were very valuable. I think I should reserve any detailed account for a more appropriate occasion, and perhaps for another body. Of course, I refer to the Canadian branch of the Commonwealth Parliamentary Association.

Australians proved to be excellent hosts to us in our seven weeks' stay. The six states vied with each other in providing us with hospitality and opportunities for examining all facets of their life and industry. We saw a country booming with prosperity and expansion, with a standard of living very close indeed to that on the North American continent. We were shown the great forest industries and gold mining of West Australia, and an unending display of magnificent wild flowers—perhaps the greatest display to be found in any area in the world.

Then we went to South Australia, which has a balanced economy of agriculture and secondary industry, and to Queensland, whose tropical and semi-tropical agriculture forms the basis of a sound economy and a good life. Next we went to New South Wales, one of the industrial hearts of the nation, with great agricultural areas. From there we went to Victoria, to see its magnificent wooded hills, valleys of vinelands, citrus groves and pasture land. There, too, we were shown the huge brown-coal industry, with its power and gasification plants which form the basis of a large-scale development of industry. Next we visited the state of Tasmania. It is an island of beauty which had a particular appeal to me because it is so much like my own Nova Scotia, with its valleys of apple orchards, forest industries, beautiful coastline and rivers —a tourist paradise. Finally, we went to Canberra, Australia's capital city, whose development and growth are under the careful supervision and planning of the Australian Capital Territory Authority. Then we made a short journey to the Snowy Mountains hydro-electric development, Australia's Kitimat project, whose ultimate cost may be almost $1 billion.

I found that each of the states could offer a diversification of employment in an environment of beauty and recreational opportunities, and an Australian way of life that seemed to provide more time for family and friends. In almost every part of Australia, however, we found that they had a common problem, and a very serious one, that is, a shortage of water due to a very low annual rainfall. I do not know whether it would be quite appropriate, but I think perhaps it would be, for me to say that one of the favourite expressions employed there when discussing the arid country, and what they are doing to bring water to those parts, is after this fashion: "This part of Australia is one of the very few places in the world where the trees go looking for the dogs." Tremendous water collection and distribution systems have been built, however. For instance, the gold mining city of Kalgoorlie, which has a large population—I have forgotten the figure—receives its water through a pipe line 350 miles long. Rivers and lakes, of course, are few and far between, and the great Australian hope is for development of fresh water sources from sea water or through the use of controlled nuclear explosions which could release presently undiscovered supplies underground. With an assured water supply, the development of many thousands of square miles of presently unproductive land area would result.

There has been in the post-war years keen rivalry, I believe, between Canada and Australia in the matter of immigration. Australia has outbid us in assisting the passage of those who are becoming new Australians, and perhaps has provided more encouragement to prospective immigrants in other ways than we have in the past. I should like to say

this: When they have solved their water supply problem, do not be surprised if their now empty land is settled at a rate far more rapid than was the case in our western Canadian development, and even more rapid than in the United States. Australia will then have the capacity to provide a food supply for a large part of the world's rapidly growing population.

A moment ago I referred to the slower pace of the Australian way of life which seemed to provide time for family and friends. It also seemed to me a way of life with recreational opportunities for all the people. Even the small towns we visited, and we visited a lot of them, had made provision many years ago for large areas of land for public use, and as a consequence facilities for cricket, football, tennis, bowling and swimming are now available. In connection with swimming, I am reminded of a very interesting organization which we learned about, and of whose ability we were given a very interesting display. I refer to the life-saving organization which has spread all over Australia. I was amazed to learn that since the inception of the organization of these life-saving clubs 115,000 lives have been saved from certain drowning in the surf which rolls at all times on the magnificent Australian beaches.

At the sites of the water storage developments public recreational parks are always provided. It was interesting, too, to observe, even in rather small towns, that provision had been made for public participation in music and art. On all sides I was impressed by the co-operative effort that must have been necessary in order that Australian people could have such a full life, and it may be because of such opportunities as I have tried to describe that in Australia such crimes as armed bank robbery never occur. I took the trouble to ask one of the police departments in the city of Melbourne about bank robberies, at a time when there was a great succession of them in our country, and the department's representative said, "I would have to go a long way back in my files to recall when the last bank robbery occurred in Australia." I suggest that is something that we could think about.

Perhaps the most striking example of co-operation that I observed is the fact that union representatives sit down with government-appointed conciliators and arbitrators and work out schedules of wages and hours which are binding on both employers and employees. Thus they settle their dispute through compulsory arbitration. Legislation along this line, I learned, has been developing since 1904 both in the national and state Parliaments of Australia.

As a final observation on the Australian scene I should like to mention the fact that in Australia there is a rather comprehensive and well-operated scheme of sickness insurance which takes care of medical and surgical expenses as well as costs of hospitalization. I believe there must be some people there who continue to object to such a method of sharing the costs of sickness, but I must say that those of whom I made inquiries—of course, they were patients or people who might find themselves in the patient class some day—indicated they were entirely satisfied. I should say right off that this is not an argument for a similar scheme in Canada, at this time, but is simply mentioned in the general description of Australia's way of life.

I must say that my lasting impression of the Australian tour will be that of its people. If I had searched for appropriate farewell words as I left their magnificent country I could not have found more appropriate ones than those which were used very recently by the retiring Governor General of Australia, Field Marshal Sir William Slim. This is the way he put it:

> Wherever we have met you, you have shown a kindness and friendliness that has made the most tiring day worth while and the dustiest mile a happy adventure. I don't think you will ever lose your basic quality of kindness, which makes you the kindest people in the world.

I am sure that my colleague from Hastings-Frontenac (Hon. Mr. White) will agree with those sentiments.

Honourable senators, when one has travelled the great distance from Nova Scotia to Australia he finds himself half-way around the world. Since the Australian Government had contracted to pay for my trip out to Australia and back by the most direct route, it seemed that I should not lose the opportunity to add a little distance and pay the little extra it might cost me to come back by another route. In other words, we went down across the Pacific, and the honourable senator from Hastings-Frontenac and I, with others, took various routes and returned around the world. We had an opportunity, therefore, to visit quite a number of other countries, and for the most part these had to be short visits. The countries visited by my colleague and myself included Hong Kong, Thailand, Iran, Israel, Turkey, Greece, Italy, Spain and Portugal.

In some of these countries our Canadian Ambassador had arranged for us to meet and talk with members of Parliament and their political leaders. This was an interesting experience and provided an opportunity for a worth-while exchange of ideas and information about our respective countries.

Such opportunities came to us in Turkey and in Iran. We could have nothing but admiration for the people of these countries and their leaders, standing as they do in close proximity to Russia and meeting a constant threat of communist domination with a steadfast determination to remain free. They look to the West for continuing support and encouragement, both military and economic.

At this period in the political and economic development of Old Persia it was interesting for us to observe that the Shah, by his own example of dividing and distributing his personally-owned agricultural land to peasants, is making a real effort in persuading other owners of large holdings of land to make it possible for tenant farmers in Old Persia to have for the first time the satisfaction and security of farm ownership. I could not help but think what a worth-while contribution would be made to this movement if Canada were to join with other free nations in seeking ways and means of providing modern agricultural implements to some of these individuals.

Honourable senators, to have an opportunity to see for the first time these eastern and southern European countries which I have mentioned was certainly an exciting, stimulating and educational experience. I believe Parliament would be composed of much better informed members if such opportunities were made available to more of them more frequently.

I should like now to add something to that which my colleague said about Israel in the very fine speech he made here on Thursday last. During our visit, which was made at the invitation of the Government of Israel, we saw every region of the country and examined all aspects of Israeli life. My colleague described the country in a very fine manner and I am sure all of us have a better understanding of Israel than we had before he spoke. But I want to refer to some things other than those which he mentioned. All members of the delegation, which was headed by the Honourable the Speaker of the House of Commons, were greatly impressed with the results of the valiant and dedicated effort which has gone into the program of nation building in that ancient land. It is a land from which the Jewish people were scattered to all corners of the world, subsequently humiliated, tortured and almost destroyed, but just as there remained in Palestine a portion of the original wall of Solomon's Temple, which was to become known in modern times as the "Wailing Wall", a holy place of worship, so too the lasting seeds of Jewish religion, culture and civilization were carried by the people wherever they went, and a natural desire to return to their ancient homeland became to them a burning sense of destiny. I believe it is of interest to observe that as only the west wall of the ancient temple remained in Palestine, so only the western segment of the Jewish people has survived to build the State of Israel.

That there is today the independent State of Israel is of course due to the enterprise of many people, both Jewish and non-Jewish. On various occasions during our stay we were reminded by Israeli leaders and officials that at the top of the list of the non-Jewish group must be placed the names of two Canadians. One is the Honourable Ivan C. Rand, a former member of the Supreme Court of Canada, whose report as Chairman of the United Nations Special Commission provided a basis for agreement on the partition of Palestine. The other is the Honourable Lester B. Pearson, whose skilful diplomacy behind the scenes and on the rostrum of the United Nations played a large and important role in influencing the decisions to accept the Senate of Israel as a separate and independent nation with membership in the United Nations.

Furthermore, we listened on occasion to praise of the highest order for Mr. Pearson's imaginative Nobel prize-winning proposal of the United Nations Emergency Force, which enabled the State of Israel at the time of the Suez crisis to withdraw her troops from Egyptian soil and get back to her own task of nation building. I might say that the recent concurrence of the Canadian Government in a large loan to Egypt for enlargement of the Suez canal without insisting on a guarantee of unmolested passage is a rather sad postscript to this accomplishment.

As we all know, the threat of war in the Middle East is a continuing and increasing one. Disturbing indeed are recent reports of the United Arab forces being recruited by General Nasser for the purpose of threatening peace in this area. I agree with the closing words of an editorial in a recent issue of the Ottawa *Citizen*, which had this to say:

> As passions cool, as the U.A.R. builds up its economy and becomes more concerned with domestic reform than with foreign adventures, hostility toward Israel may diminish and the chance of negotiating a peace settlement can be seized. But that is in the future. For the time being, all incidents that can lead to war must be prevented in advance.

I firmly believe that future aggressors will meet in Israel a far stronger foe than that which drove them back to their own borders during the war of independence ten or more years ago. The Israelis at that time were led by soldiers trained by the British and with

the experience of fighting side by side with the British through Italy, France and Germany, but they were without modern arms and equipment. Aggressors will meet a foe even stronger than that which in 1956 cleared the Arab raiders from the Sinai border and gave protection to Israeli shipping through the Gulf of Aqaba into the Red Sea and to the vital port development at Eilat. They will meet a force of highly trained, well equipped and dedicated young men and young women. These are the product of a first-class educational system, with pre-military training in youth camps and full-time combat training during two years or more for all physically fit young citizens.

These people, the majority of whom have come to Israel as immigrant refugees from Europe, Asia and Africa, bringing with them their different languages, customs and civilizations, and even different complexions, are as one in their determination to have, for the first time in centuries, a homeland of freedom and opportunity. They will not be easily dislodged from their farms, from their citrus groves, which now occupy the rich, irrigated land recovered by their own hard labour from beneath the desert sands. Neither will they be easily dislodged from their newly developed primary and secondary industries, their modern housing developments and their educational facilities.

Referring to the latter, I should like to point out that their rapidly expanding Hebrew University in Jerusalem is staffed with what I would judge to be teachers of the highest calibre, and is attended by students eager to learn so that they may better serve their country. The Weizman Institute of Science, one of the finest in the world, is undertaking pure scientific research and development of almost unexcelled quality. Of some interest to Canadians is the fact that it is from this institute that Canada purchases its "heavy water" requirements for our own scientific work. The leaders of the nation have laid great stress on technical education, and many such institutions are providing the skilled manpower so much needed in a rapidly developing economy.

We were impressed by the fact that, despite the necessity of allocating resources for economic and educational development and for defence, the Israeli people have insisted on parallel development of the arts. Each town, whether new or old, has its community centre with an auditorium and public library. The larger cities have facilities for music and art which are of an order to make Canadians feel ashamed of their own efforts in these fields.

Many of these facets of Israeli life which I have mentioned impressed us very much. The most impressive of all, however, seemed to me to be the tempo and intensity of the work being undertaken by the people and apparently supported in full by the trade union movement, which is strong and includes both those in industry and in the professions. All seemed vitally concerned with the task of building and defending their nation. I wish them well in their dedicated task.

During my tour my interest was not centered so much on the usual tourist attractions, of which there are very many, such as the magnificient temples of Thailand, the ruins of the Grecian and Roman civilizations, the museums of Tehran and Istanbul with their fabulous treasury of precious jewels, and the familiar places of Biblical history in Israel. In those countries where I was privileged to spend the most time I was impressed to a much greater extent by my observations of their way of life. Common to both Australia and Israel was evidence of a pioneer spirit expressed in a zeal to work, and work hard, in a co-operative and unselfish society in order to build a better nation. In this regard I believe it is time Canadians took stock of their individual attitudes toward their contribution to nation building.

I have returned to Canada convinced that other land areas are in the stages of a development process which will in due course place them in a position to offer competition in supplying world markets with primary and secondary products of a kind that will carry the threat of serious dislocation of our foreign as well as our domestic trade. The present era is not one for complacency on our part. New and imaginative approaches should be made to our trade position in this rapidly changing world, and in the national interest every effort must be made to keep our production costs from rising above world market prices of the future.

Finally, I believe we in Canada should remain unconvinced that we now have devised the ultimate in our way of dealing with social and economic problems. Many of these problems today can be solved only by an open-minded and comparative examination of what other countries are doing, together with a bold and imaginative development of even better policies which will lead to a happier way of life shared by all regions of Canada. Nowhere in Canada is there equal need for such a bold and imaginative approach to social and economic problems as in the Atlantic region.

Last session, during the debate on the address in reply to the Speech from the Throne, I made reference to the historical background of these problems and expressed the opinion that the time had arrived for the Government of the day to take bold and

extraordinary steps to improve the economy in this region of Canada. On this occasion I shall repeat, in brief, the suggestions I made then. There have been no alternatives offered since that time; in fact no mention of any kind has been made of the Atlantic region in the Speech from the Throne since the pre-election session of 1957-58. These were the things I suggested last session:

1. Regional priorities for defence production contracts and other Government purchasing.

2. Encouragement of private capital investment in these provinces through special depreciation and other taxation concessions.

3. A new approach to the transportation problems brought about by increasingly high freight rates—and I made particular reference to the effect that a new freight rate structure would have on expansion of steel manufacturing.

4. Long term loans in the form of equity capital to encourage the establishment and expansion of industries in the Atlantic region.

There is nothing new or startling in the provision by governments of special incentives for the establishment of new industries in economically lagging areas. It has been recently pointed out by two publications in the Maritimes that such incentives have been found to be effective in such countries as the United Kingdom, Italy, France and, more recently, in Belgium. The publications to which I refer are almost in a class by themselves in their respective fields. One is the Halifax *Chronicle-Herald,* which I believe is one of Canada's outstanding newspapers, and the other is the *Atlantic Advocate,* that very fine monthly which is edited by Brigadier Wardell, who spoke at a meeting of the Canadian Club in Ottawa just the other day. These two splendid publications are spending a great deal of time examining our problems and putting forward suggestions of what it appears to them ought to be done with a view to creating some hope for the future.

It appears to me that the economic position of the Atlantic region is, at present, a precarious one. The region is affected seriously by a tighter-than-ever money policy. It is in the shadow of the threat of increasingly higher freight rates. Its trading position in forest products and fish is adversely affected by the premium on the Canadian dollar in terms of United States currency. This premium may be due, in large measure, to the inflow of American capital seeking to reap benefit from our extremely high interest rates. There is deep concern for our future position in export trade, in view of the formation of new world trading patterns. The distressed position of our important coal industry is familiar to everyone, and an additional 6,500 men are expecting to be laid off at any time.

Perhaps the most convincing evidence of our present economic position is contained in the unemployment figure of over a month ago for the Atlantic region. According to the Dominion Bureau of Statistics survey there were 75,000 unemployed workers, or 14 per cent of the labour force of the Atlantic area. That is the lowest estimate from any official quarter. The actual figure at present may be even more than the 125,000 active claimants for unemployment insurance in this region as of January 31. Not since the thirties has such a situation existed.

It was disturbing to us in the Atlantic region to learn, as a result of the recent inquiries of the honourable senator from Shelburne (Hon. Mr. Robertson), of the degree to which our economy depends on direct expenditures by the Department of National Defence. In measuring these expenditures in Nova Scotia, I want to point out that the defence payroll alone of $77 million is one-tenth of the total gross personal income of the province. The total of $184 million spent in the Atlantic area is $34 million more than the expenditures there by the great DOSCO empire.

At this point when it is being determined what shall, in the future, be the form of Canada's contribution to modern and effective joint defence methods, the Atlantic region stands in a precarious economic position indeed. When the day of international agreement on disarmament arrives, as it surely must if we are to have a world at peace, new policies leading to alternate employment in the Atlantic region must not only have been developed, but put into effect long in advance of that day.

As the Halifax *Chronicle-Herald* put it in a recent editorial:

> The need for specific plans for new peaceful economic pursuits that would be ready to take the place of our varied and expensive military efforts should be obvious to anyone.

But, as the years go by blow after blow is falling on the economy of the Atlantic region of Canada, and we are now finding ourselves in somewhat the same precarious and dangerous position that is described in Edgar Allan Poe's classical short story *The Pit and the Pendulum.* Perhaps I should close with this quotation from the story and allow you to put your own interpretation upon it:

> And then my vision fell upon the seven tall candles upon the table. At first they wore the aspect of charity, and seemed white slender angels who would save me; but then, all at once, there came a most deadly nausea over my spirit, and I felt every fibre in my frame thrill as if I had touched the wire of a galvanic battery, while the angel forms became meaningless spectres, with heads of flame, and I saw that from them there could be no help.

Hon. A. B. Baird: Honourable senators, at the outset I would like to take this opportunity of congratulating the mover and seconder of the motion for an address in reply to the Speech from the Throne.

It also gives me much pleasure to welcome the three new senators, especially the new lady senator, the Honourable Mrs. Irvine. Her maiden speech in this chamber will ever be remembered by those who were privileged to hear it.

Honourable senators, I intend to be very brief this afternoon—in fact, a little briefer than usual.

As you know, it took the Governor General thirty minutes to deliver the Speech from the Throne in English and possibly slightly longer to deliver it in French. That gives time for a feast of reason. But I, for one, failed to get much meat. Perhaps that was because I expected too much, because of the host of rumours flying around and the carefully heralded strength and activity of the Government forces. Perhaps it was because the meat was so cleverly concealed, or even omitted in its entirety. As I sat and listened very carefully to the speech I found myself becoming increasingly amazed that the proposals of the Government in the matter of defence were not mentioned. As I studied the text of the speech later I realized that reference to the subject was carefully avoided in the text, and that I had not missed hearing part of the speech which could have referred thereto. I am sure that the people of Canada have a vital interest, as I know they have a financial interest, in what the Government proposes to do in regard to defence matters. Are we of the Senate supposed to get our information from the newspapers, in the same way as we obtained the news that the Government has agreed with the United States to add units to the Dew Line at a cost of $300 million or so, of which Canada is expected to pay one-third, with the United States continuing to control operations?

Incidentially, Federal Electric, the United States company which manages operations on the Dew Line, seems to be introducing another United States refinement to our Canadian northland, namely a form of compulsory segregation between the white employees and the Eskimos.

I look with intense concern upon the manner in which the present Government of Canada is acceding to the continued encroachment of the United States upon Canada and Canadian rights, as revealed to us in various newspaper stories. Could it be, I ask, that it is more convenient for the Government of Canada to reveal each move as an accomplished fact rather than as a proposal? I, for one of many, intensely dislike controlled money, and find myself compelled to protest "managed exchange," which is to all intents and purposes a surtax on our exports raising the sales price to our customers in the United States by almost 5 per cent, and costs the people of Canada the loss of many export sales plus the considerable sums spent on the carrying out of this controlled exchange.

Governor James E. Coyne of the Bank of Canada is reported to have said at Winnipeg recently that Canada is in a vulnerable and precarious position by trying to spend more than she saves. Almost at the same time the Prime Minister announced the intention of establishing a royal commission to probe all Government operations with the ultimate aim of reducing governmental costs to a minimum. This announcement of Government plans was not included in the Government policies presumed to have been revealed to the House of Commons and the Senate a few days earlier in the Speech from the Throne. Certainly it seems the Government is merely drifting from point to point in a sort of delaying action, while in fact it hasn't had time to establish a policy for Canada or for itself. As the Leader of the Opposition in the House of Commons said, "The Government still makes the mistake of confusing movement with progress—and adjectives with action."

I could go on criticizing the lack of Government policy-making and action during the past two years but, unlike the Government, I do not believe mere words can win the "war for progress" that is being fought day after day by Canadians in all walks of life.

After all, the plan is the thing. Get a good plan, form a policy, then go ahead and make it work.

On motion of Hon. Mrs. Inman, debate adjourned.

JEWISH SETTLEMENT IN CANADA

BICENTENARY OF FIRST ARRIVAL—DEBATE CONTINUED

The Senate resumed from Thursday, February 18, the adjourned debate introduced by Hon. Mr. Croll, who drew attention to "the fact that this year marks the bicentenary of the arrival of the first Jewish settler in Canada".

Hon. F. W. Gershaw: Honourable senators, for various reasons people from many distant lands have come to make Canada their permanent home. We have reached a time when in regard to racial origin 25 per cent of the people of Canada are neither French nor English. Such groups as Icelanders, Russians, Germans, Mennonites, Ukrainians, and Doukhobors have come here and are making their contribution to the welfare of the

nation. But as we are observing a Jewish anniversary at this time I will confine my few remarks to the record of the Jewish people in the Prairie provinces.

It was in 1882 that the first Jewish immigrants located in those wide open spaces of the prairies, where they have retained their racial identity. They were bewildered and sometimes dismayed because they were strangers in a strange land. They had many things to contend with. Some of them endured privations, and some were not welcomed with open arms. Some met a measure of intolerance. But they had one thing in common, and that was determination to succeed. When the dark days of depression and despair came in the early years of this century, the Jewish people asked for and received less in the way of relief than did most other peoples.

The children of these early Jewish settlers did very well at school. They realized that they had to work hard and that they had to be especially efficient if they were going to succeed. Many of them have succeeded and become prominent merchants, doctors, lawyers, and so on. During the two World Wars 16,000 Canadian Jews were in uniform, upholding the honour and the way of life of the land in which they were making their home.

As to special attainments of the Jewish people in Canada, I know of one town in the west where there is only one person of Jewish faith, and he was the Mayor. The city in which I live has had a Jewish Mayor for many years, and under his leadership really great things have been accomplished. Mayor Harry Veiner is a man of initiative and ability and he seems to have almost uncanny judgment. He is a colourful character and travels a lot. Wherever he goes he creates a sensation, but he is always thinking of the welfare of Medicine Hat.

May I put on record what one very prominent Albertan said at one time:

> Canada has had occasion to welcome many Jewish immigrants to her shores until they now constitute an important, stable and progressive element in our population. They have made their distinct and valuable contribution to the political, commercial and cultural life of our nation and will, I feel sure, continue and enlarge that contribution in the years to come.

That statement was made by the late Lord Bennett when he was Prime Minister of Canada. Moving eastward in the Prairie provinces we come to Saskatchewan, where our present Prime Minister has his home. Dr. J. T. M. Anderson, a former Premier of the province, made this statement:

> George Eliot in one of her books says, "The Jews are among the aristocracy of every land." History justifies the statement. From the dawn of the ancient civilizations through the shadow of their decay to the morning of a new era in the life of mankind the influence of Jewish traditions has been a factor of ever-increasing potency in the ordering of our world's affairs.

A gentleman who came from Manitoba and who is held in very high esteem by the people of Canada, once said:

> The spiritual literature of Israel forms part of the very fibre of our being. To it we turn in our brightest hours of hope and in our deepest sorrows.

Those words were spoken by the Right Honourable Arthur Meighen.

A final quotation, this one from the late Right Honourable W. L. Mackenize King:

> Since the granting of equal rights in 1832 the Jewish people of Canada, true to their age-old traditions, have taken an active and honourable part in the public and political life of Canada.

Hon. Donald Cameron: Honourable senators, I had not intended to take part in this discussion, but was moved to do so by the eloquence of my friend and colleague the honourable senator from Toronto-Spadina (Hon. Mr. Croll). May I say to him that he is one of the finest examples of his race in this country, and we are the better for his being among us.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Cameron: In the course of his remarks he stated that there were about a quarter-million Jews in Canada. I find that these are apportioned approximately as follows: Montreal, 100,000; Toronto, 85,000; Winnipeg, 23,000: Vancouver, 6,000; with lesser numbers in other cities and towns across the land. Wherever they are these people are industrious, energetic and imaginative. They have brought great resources of industry and talent to industry, to business, to education, law, medicine and the arts.

Henry Joseph, who came to Canada in the latter part of the 18th century and settled in Berthier, Quebec, was one of the founders of Canada's Merchant Marine. Sigismund Mohr, an engineer from Germany, pioneered the installation of electric light and telephone service in Quebec City. David Oppenheimer was one of the pioneer industrialists of Vancouver and served several terms as mayor of that city.

However, it is not my purpose to dwell on this aspect of the Jewish contribution to Canada, but rather to say something about the role of the Jewish people in education and the arts.

In this respect, many people are not aware of the very special role that the Jewish synagogue plays in the community. The synagogue has always had a wider role than purely a house of worship. It has always served as an educational and community centre function as well, and I think a good

deal of the encouragement to do well and to succeed in educational and cultural pursuits stem from the leadership and inspiration in the synagogue.

Most Jewish children receive some form of special Jewish education, although over 85 per cent of them attend the public schools. The remainder go to private schools. Those who attend the public schools receive some supplementary religious instruction in Sunday and late afternoon Hebrew schools.

Education has always had a high priority and pride of place among the Jewish people. Such organizations as the B'nai B'rith, the Local Councils of Jewish Women, and many others, have been active in promoting and encouraging scholarship among Jews and Gentiles alike, and some of the brightest Gentile scholars have won Jewish awards.

One of the most encouraging and exciting signs of a growing Canadian maturity is the spring-like growth of the arts in Canada in the post-war years. This new vitality is not restricted to any particular region nor to any particular art form, although there are variations in the degree of vigour and enthusiasm as between one form and another in certain parts of the country. And in no part of the country do we find as great a liveliness as in Quebec—in Montreal, in particular, with Toronto and Vancouver following second and third. This is natural, because Montreal is more cosmopolitan than any other city in Canada, and the finest example we have of the blending, stimulation, and challenge of the two dominant cultures of English and French. Also it has been enriched beyond measure by the artists who have come from other lands and have found in Montreal a tolerance, maturity and sympathy almost European in its encouragement of all who have talent, regardless of origin.

As an English Canadian, let me at once give the major share of the credit for this new and healthy vitality to our French Canadian partners who have set the pace and injected some of the challenge and daring, the willingness to explore new forms and ideas, which has stimulated the whole Canadian art world from St. John's, Newfoundland, to Victoria. Artists like Borduas, Pellan and de Tonnancour, and writers like Roger Lemelin and Gabrielle Roy have established a new dimension and a new understanding in the field of letters, based not on their French Canadianism but on their universality. It is no accident, either, that our own Hugh MacLennan has found himself and become Canada's best known novelist since moving to Montreal.

In the field of the theatre all of Canada owes a debt to Gratien Gélinas, who, more than any other person, deserves the title "the father of Canadian theatre". In music, Claude Champagne's *Quebec Suite* and *Suite Gaspésienne* are rich contributions to Canadian music and to Canada's musical status.

However, to the liveliness and stimulation of our French-speaking colleagues we must add the competitive challenge of the Jewish community, which in proportion to its size contributes more people to the creative arts and education than any other ethnic group in Canada. Jewish poets, authors, musicians and composers have gained national and international recognition in recent years.

Isidore Ascher, who was born in 1835 and died in 1914, was Canada's first Jewish poet. A. M. Klein won the Governor General's Gold Medal in 1948. Lionel Shapiro, before his untimely death, had gained fame as a war correspondent and writer.

Ellen Ballon, the pianist; Madame Pauline Donalda, the Covent Garden opera star and, in recent years, director of the Opera Guild; Alexander Brott, the violinist and composer; John Weinzweig, one of our most successful younger composers; Walter Susskind, conductor of the Toronto Symphony Orchestra; Ethel Stark, conductor of the Women's Symphony Orchestra; Harry Freedman, the brothers Adaskin, Boris Berlin, and a host of others of the Jewish community have greatly enriched our Canadian music.

Painters like Lillian Freiman, Eric Goldberg, and Louis Muhlstock, are represented in our National Gallery and in many galleries abroad.

In radio and television the names of Lorne Greene, Nathan Cohen and Percy Saltzman are almost household words.

In science, medicine and law, and at almost every university across the land, Jewish scholars on the faculties are making a significant contribution to Canadian education.

In their new homeland of Israel the Jewish people have astonished the world with what they have been able to do in establishing a vigorous and viable modern state against almost overwhelming odds.

There is a lesson for all Canadians in the attitude and the success of the Jewish people toward education and the arts, and the sooner we learn that lesson the better it will be for Canada. The Jewish people have achieved notable success in education and in the arts in our country and in their new homeland of Israel because they believe in and apply a very simple formula, and one which is open to any Canadian. The parents have a high regard for and give priority of place to a good education for their children. They believe in and insist upon a disciplined family life and they provide a constant encouragement to succeed.

They are willing to work hard and to sacrifice for what they believe. They believe that the arts and humanities are essential to the fullest expression of the individual, and these have a high priority in their thinking. Would that more Canadians showed the same industry, discipline and dedication to purpose. It would be a good thing for Canada.

Hon. Muriel McQ. Fergusson: Honourable senators, I too would like to pay a humble tribute to the Canadians of Jewish origin who have in the past so enriched our Canadian life and who are continuing to do so at the present time. Particularly I would like to speak briefly of the Jewish women. I would like to remind honourable senators that without the encouragement and cooperation of their women over the past two hundred years, particularly during the pioneer days, Jewish men in Canada could not have reached that eminence in the arts, in medicine, science, literature, law, business and philanthropy about which we have heard in this debate.

I would remind honourable senators that many Jewish women through their own outstanding talents, and their diligence in developing those talents, have made and are continuing to make a much valued contribution to our Canadian life. The honourable senator from Toronto-Spadina (Hon. Mr. Croll) told us, in his very excellent address of Thursday last, that even before Aaron Hart came to Trois Rivières some Jewish people had gone to the Maritimes. That was as early as 1750. But these, as we know, were not permanent settlers; the people came and they went.

It is interesting to know that the first Jewish woman who came to Canada arrived in Quebec from France in 1738. Her name was Esther Brandeau, and I think the especially interesting thing about her arrival was that she came disguised as a boy. Actually she served as a seaman on the ship *St. Michel* under the name of Jacques La Fargue. It was some time before it was found out that she was a woman, and this discovery caused considerable embarrassment to the authorities at that time.

Miss Caroline Hart, a direct descendant of Aaron Hart, was an outstanding Jewish woman who was supervisor of a model school for kindergarten teachers in Ontario from 1885 to 1892, and in 1890 she was made inspector of all the kindergartens in the province of Ontario. This was a new venture, at the time, and in the official organ of the kindergarten movement of America it was said of her:

> The rapid extension of the kindergartens throughout Ontario and the Dominion of Canada has been mainly due to her ability and enterprise.

The article went on to say:

> Canadian kindergartens speak her name with pride and gratitude.

A woman of Russian and Polish Jewish origin who added lustre to Canada was Pauline Donalda. She was the daughter of Fanny Goldberg and her husband Michael Lightstone, of Montreal. Pauline took the stage name of Donalda out of gratitude to Sir Donald A. Smith, later Lord Strathcona, who had assisted her in her career. The honourable senator from Lisgar (Hon. Mrs. Irvine) referred to Lord Strathcona in her very outstanding speech last week, on which I congratulate her heartily, and express the hope that we shall hear from her many more times. Pauline Donalda toured the world as a concert artist and was acclaimed as a great Canadian singer and artist.

There have been many Jewish women who have been active in the field of philanthropy and perhaps to us who live in Ottawa so many months of the year the name of the late Lillian Freiman—Mrs. Archibald J. Freiman—is among the best known. Mrs. Freiman was known throughout Canada for her large-scale efforts on behalf of less fortunate people. She had great organizing ability, and I have read that she was practically given charge of Ottawa's efforts to deal with the influenza epidemic in 1917. During and after the First World War her work with the Legion made her very well known indeed and she received many honours for it. She helped also to raise funds for Roman Catholic and Salvation Army projects. One undertaking for which she is especially remembered is the bringing over from the Ukraine in 1920 more than 100 Jewish orphans and placing them in Jewish homes in Canada.

These, honourable senators, are only a few of the Jewish women of whom all Canadians are proud. The honourable senator from Banff (Hon. Mr. Cameron) mentioned other names, including some that I had intended to bring to your attention, which I need not do now.

There have been few Jewish women in the political field, but the same thing can be said of Canadian women in general, and this was especially true in the earlier days. At the present time we are all proud to know that in Toronto Mrs. Ida Segal has been very active on the Board of Education. Mrs. Beatrice Hayes, president of the Montreal Council of Women, is also a member of the Montreal City Council.

The work of Jewish women's organizations deserves some mention, too. The National

Council of Jewish Women, which was organized before the turn of the century, is greatly interested in the matters of health, welfare and education. The council works for greater social, economic and cultural opportunities for all people, and has many scholarships devoted to this purpose. In late years it has done a great deal to improve the situation of older citizens. Jewish women's groups have supported old folks' homes, organized Golden Age Clubs and carried on many similar projects. They have been pioneers in this field in Ottawa and many other places.

Other Jewish women's groups have as their main objective the giving of support and help to Israel. Hadassah, first organized in 1917, is the strongest of these and provides help and assistance in Israel similar to what we associate with Red Cross work in our own country.

Through the funds they raise, hospitals are founded, and training is given in the care of mothers and babies, in the prevention and treatment of certain diseases, and in the upbringing of children. The work supported by Hadassah is not limited to Jews in Israel, but is provided for Arab citizens living in Israel as well. It should be remembered that while Hadassah raises in Canada large funds for work in Israel, the money is spent in Canada for equipment and goods which are shipped to Israel. This increases business in Canada.

In his extremely interesting speech on Thursday last the honourable senator from Hastings-Frontenac (Hon. Mr. White) mentioned among other things that impressed him in Israel:

> The service of both boys and girls in the armed forces.

This I think is illustrative of the place of women in the Israel of today, where they are in every way sharing on an equal footing with men both advantages and responsibilities in the astonishing development that is taking place in that country.

Hon. Arthur W. Roebuck: Honourable senators, may I join in the tributes which have been paid on previous occasions and are being paid today to our Jewish fellow citizens. I would, if I may, adopt as my own many of the remarks which I have heard this afternoon in commendation of the Jewish people in Canada; but more particularly, I would like to be associated with the statements made by the honourable senator from Fredericton (Hon. Mrs. Fergusson), who sits to my left. Jewish women are the most faithful and wonderful wives, and the most devoted mothers. I could bring proof to bear on that assertion in the fact that the Jewish families follow more closely than any other members of our population the old injunction, "Honour thy father and thy mother." The Jewish women, as the honourable senator said, are active, industrious and most sympathetic; they are generous in their contributions, both of themselves and their substance, in all good works.

Honourable senators, we are very greatly indebted to the senator from Toronto-Spadina (Hon. Mr. Croll), my honoured deskmate, for having called attention to the fact that this year marks the bicentenary of the arrival of the first Jewish settler in Canada. He has given the members of this senior legislative assembly of the Dominion of Canada an opportunity to express our admiration for the energetic and historic group to which he himself belongs. May I add that I am personally grateful for this opportunity of expressing my deeply felt gratitude to the Jewish community for the friendship and generosity which have over the years been extended to me and which have meant so much to me in my public career.

I have of course known the honourable senator from Toronto-Spadina for many years. It does seem to me as though I had always known him. We entered the Legislature of Ontario at the same time; we became part of the Hepburn administration in 1934, we served together during the years when that administration was rendering democratic and useful service to that province, and together we left that administration when that period of usefulness had ended.

I was in the House of Commons during the war years while my honoured friend was serving his country in the armed forces overseas. We were together in the Parliament of Canada during the early post-war years, he in the House of Commons and I in the Senate; and as my colleagues well know, we have occupied this double desk ever since my friend arrived in the Senate.

The senator from Toronto-Spadina and I have had a common approach to most public questions, because, generally speaking, we start from the same basis and aim for the same objects. I confess that it is rather difficult for me to describe adequately the comradeship and genuine affection that has developed in my mind over these years as a result of our intimate association. I was not able to be present to hear my friend make his speech a few days ago on this subject, but I read his remarks with sympathetic interest and I congratulate him on the truths which he expressed, on his eloquence, and generally on his masterly address.

Honourable senators, in the 200 years that we have now under review the Jewish population of Canada has grown from a single unit to approximately a quarter of a million persons. That is a notable increase, and I am sure a very satisfactory increase from their own standpoint. But bearing in mind the important part played by the Jewish people in the economic and social life of Canada, it is rather difficult to appreciate that the ratio of Jews to the entire population in Canada is about one to seventy-five. In other words, the accomplishments which we have heard described most acceptably in so many fine speeches are altogether out of proportion to the number of persons involved. They occupy a position in society that must be attributed to something more than mere numbers.

It is not my intention this afternoon to attempt to describe the part that the members of the Jewish faith have played in Canada, in business, agriculture, manufacturing, the professions and in public life, for the detail is far too great. I would hesitate to attempt to name individuals who have played notable parts, because there are many and there is the liability of overlooking some who should be mentioned and whose contribution is also great. However, I think it sufficient for our purposes to say that where intelligence, industry and devotion to the object in hand are factors, the Jewish men and women in Canada are always found in action. I can say from personal knowledge that no group of our population is more industrious and law-abiding, more faithful in their family relations, or more public spirited and generous than are our Jewish compatriots.

It has been my good fortune to have been associated in a minor way with the Jewish community in their attainment of their great ideal, the re-building of the Jewish homeland in Palestine. I too have for a long time referred to myself as a Zionist. I confess it is as a Christian-Zionist, but nevertheless a Zionist, because I have long believed in the establishment of the Jewish nation in the land where David and Solomon ruled, and where the Founder of Christianity lived and died.

I thought it was a wise thing in many ways to have such a nation located on the shores of the Mediterranean. I am not at all unique in this because, honourable senators, Canada spoke in no uncertain voice when Mr. Lester Pearson was Canada's Secretary of State for External Affairs, and when the United Nations was inquiring into the situation in the Middle East and considering the establishment of the State of Israel. We were right at that time in the part we played. We were right, and Israel has proved we were right by her wonderful accomplishments, following the establishment of that state, in economic development and in democratic government and procedure, and in intellectual and social progress. In the offering of a refuge to the oppressed of all lands, and in the ability to survive—which is something —Israel has justified the faith which we possessed at the time of her creation. Canadian Jewry has justified our Governmental action of those early days by the constancy and the generosity with which it has supported the new and struggling State of Israel.

We are right now in paying them tribute. We were right when we brought Israel into existence, and we have been right in every support which we have given. And we would be right now, honourable senators, if Canada would declare publicly, so that all men may know, that Canada will not tolerate an attack upon Israel by her enemies.

I do not question the ability of the State of Israel to survive. Israeli people proved that ability in the war of liberation when they were attacked by no less than five invading armies and almost barehanded drove them out of Israel. The work of the Jewish army at that time was heroic, and the results of its heroism were—I am not overstating it —miraculous.

But, honourable senators, the State of Israel does not want war. Israel needs peace —peace in which to complete the great work it has begun. It needs freedom from boycott and discrimination and constant attack in order that it may complete the refuge which it has offered to the oppressed from all over the world. I suggest that the Canadian Government can acknowledge the debt which non-Jewish Canadians owe to our Jewish compatriots by telling Mr. Nasser in the plainest possible terms to keep his Arab hands off the State of Israel.

To the honourable senator from Toronto-Spadina I would like to say: "May I through you wish all my Jewish friends and fellow citizens many, many happy returns of this day, and may the next two hundred years bring to them increase in numbers, prosperity, health and happiness, and much opportunity for high-minded public service."

Hon. Wishart McL. Robertson: Honourable senators, my contribution to this discussion will be very brief. Nevertheless, I realize that there is important business on the Order Paper, and with the understanding that this order will be called again I move adjournment of the debate.

Hon. Jean-François Pouliot: Honourable senators, before the debate is adjourned I would like to say that not long ago I had the honour of being invited to address—

Hon. Mr. Robertson: Honourable senators, I moved adjournment of the debate.

The Hon. the Speaker: The honourable senator from De la Durantaye (Hon. Mr. Pouliot) wishes to say a few words. I have not yet put the question.

Hon. Mr. Pouliot: I do not want to take up the time of honourable senators, and my speech for once will be very short. Not long ago I had the honour of being invited to address the Christian and Jewish Society under the stipulation that my speech would not last for more than one minute, and it is a speech of that length I will make now.

For once I agree with most of what has been said. It is a great satisfaction and a great contentment, and a cause of rejoicing, to feel that the atmosphere of the Senate has been more serene than ever during this debate. There has been no friction, and it has been enjoyable to listen to the tributes that have been paid to the Jewish race and to minorities in general.

Now, honourable senators, I wish to convey my personal impressions of this debate to you. Perhaps you will agree with me. One of the great privileges that members of the Senate and the House of Commons have is that in coming from all parts of Canada they meet some of the most interesting people. They meet great Canadians whom they would never have met if they had not entered public life. This is a great reward, and among the friends that I have made in my political career there is one whom I have known since 1934 when we were together at the Kennedy Collegiate stadium in Windsor. There were six of us there on the stand, but the only two surviving are my honourable friend from Toronto-Spadina (Hon. Mr. Croll) and myself. It was a fine occasion. He was there with his leader, the late Mr. Hepburn, and the other Liberal candidates of the city of Windsor. I admired what my honourable friend said, and afterwards when he became Minister of Labour he rendered most excellent service to his province. He got information that no other Minister of Labour in Ottawa or in any province had ever thought of getting. Then to my great pleasure, after a fine war record, he was elected to the House of Commons, where we sat together for some years. Subsequently, to our mutual surprise, we were sworn in as senators of Canada on the same day. We do not always share the same views. Sometimes we disagree wholeheartedly, but we remain friends, which shows that friendship is more important than politics.

The other Jewish gentleman whose name I wish to mention with great joy is Mr. Leon Crestohl, the present member for Montreal-Cartier in the House of Commons. He too is a great Canadian, a member of the legal fraternity and a man of great culture. I have always appreciated his friendship very highly. I want to add two persons to those whom I have already mentioned, namely, the distinguished wives of Senator Croll and Mr. Crestohl. The two husbands and the two wives are all great Canadians.

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

PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—SECOND READING

Hon. J. W. de B. Farris moved the second reading of Bill S-20, respecting British Columbia Telephone Company.

He said: Honourable senators, I think I should say something at this stage about this bill. Last night I asked for the indulgence of the house on a pure matter of procedure, and I appreciated the courtesy of silence I got, which in a very emphatic form indicated agreement with my request. On this occasion it would be presumptuous for me to ask for any indulgence. I am only asking what this house, in my long experience of 23 years, has always to my knowledge given to any bill, and that is due consideration for the interests of the public.

Honourable senators, this legislation purports to amend the provisions of the constitution of British Columbia Telephone Company, whose act of incorporation is chapter 66 of the Statutes of Canada, 1916. The name of the company at that time was Western Canada Telephone Company, later changed to the British Columbia Telephone Company.

Section 9 of that act gave the company power to acquire all or any part of the property, real or personal, undertaking, business, powers, contracts, privileges and rights of any company having similar objects. But the act did not give the company—and I presume this was an oversight more than anything else—power to acquire outstanding shares from any individuals. So it will be seen that this amendment does not go very deep into the matter of principle, for the company now has power to acquire the assets and goodwill of another company. This amendment largely simplifies the procedure of accomplishing what the company has been able to do in a roundabout way.

The bill at least confirms the principle of the desirability of larger companies in Canada acquiring and operating smaller companies, and that is one of the features peculiar to telephone companies as distinct from many other types of companies. In our laws we have provisions against monopolies, and in

some types of competitive business this is highly desirable. On the other hand, we can all understand, for instance, that if you had competing telephone companies in the same city you would have an intolerable situation. In addition, the more centralized a telephone company can keep its wider scope of operations the more effective and better will be its service to its consumers.

The Bell Telephone Company has enjoyed all the powers that the British Columbia Telephone Company enjoys at the present time, and it also enjoys the additional power which the British Columbia Telephone Company now seeks. I will not bother to read this provision at this late hour, but it is found at chapter 67 of the Statutes of 1880. It is quite a long section, and it ends up with these comprehensive words:

—or to become a shareholder in any such corporation.

The Bell Telephone Company has acted under that interpretation ever since.

Honourable senators, I want to say a few words about the British Columbia Telephone Company. I think it can be fairly said that the company is highly regarded throughout British Columbia. It was incorporated in 1916.

The company operates over 90 per cent of the telephones in the province of British Columbia and is the second largest telephone company in Canada. At the end of 1959 it served 505,432 telephones, and had a gross investment in telephone plant of over $243 million.

The immediate object of this bill is acquisition of the shares of the North-west Telephone Company. There is no great difficulty about acquiring the shares, and it is highly desirable that this should be done. The North-west Telephone Company was formed in 1928 to develop telephone communication by radio to the more inaccessible communities on the coast of British Columbia. Anyone who knows British Columbia, either by having been there or even by looking at the map, knows what a tremendous amount of inaccessible area, consisting of mountains and valleys, there is in that province. This was the first commercial application of the use of radio to provide telephone service in British Columbia's mountainous terrain, where it was not economically possible to build or maintain wire lines. The venture had never been undertaken before.

Subsequently, British Columbia Telephone Company acquired the charter power to provide telephone service by radio and is now operating radio-telephone communication in British Columbia on an expanding scale. For example, British Columbia Telephone Company in 1958 completed the British Columbia portion of the Trans-Canada micro-wave radio relay system, which means that there will be a micro-wave system of transmission from Vancouver to Montreal.

I have here a note from one of the officers of the company which expresses some important considerations in favour of amalgamation with British Columbia Telephone Company:

Increasing interest and dividend rates have contributed substantially to the rising cost of providing and maintaining telephone service. Experience has shown that the issue of securities in large amounts and the ability to provide a somewhat higher security rating makes it possible for larger companies such as British Columbia Telephone Company to attract capital at rates considerably lower than a comparatively small company such as North-west Telephone Company.

The North-west Telephone Company is faced with heavy commitments for expansion and improvement in the area served by the company in central British Columbia. The communities in that area, although widely separated, have experienced phenomenal growth which has every indication of continuing. The necessity to provide telephone facilities to meet this development has created and will continue to create a financial burden which is most difficult and costly for a small company to carry.

During the past ten years British Columbia Telephone Company has acquired the Mission Telephone Company Ltd., Chiliwack Telephone Ltd., The Kootenay Telephone Company Ltd., and a large part of the Dominion Government Telegraph and Telephone System.

Hon. Mr. Brunt: Could all those companies not be acquired by taking over their assets?

Hon. Mr. Farris: That could still be done, but it has proved to be cumbersome and unsatisfactory and the other method is much better.

The officer of the company goes on to say:

In each case improvements in service and equipment have been immediately evident and many thousands of dollars, which the smaller company could not provide, have been spent in expansion and modernization.

These considerations have an important bearing on telephone rates and indicate that the cost of providing service for a small company serving communities in rural areas will rise more rapidly and reach higher levels than those of a large communication system such as the British Columbia Telephone Company, serving the more densely populated areas of the province.

I wish to point out also that a very important part of this amendment is the very last sentence in the bill, which reads as follows:

...and to allot and issue such shares as fully paid up or as partly paid up as may be agreed upon between the company and the holders of such shares.

That is a very important power in the interests of the public. British Columbia Telephone Company today has future commitments in millions of dollars. If I were as good at figures as many of my colleagues are, I could state the amount. In any event, I know it is very large. Those investments and heavy commitments, with the high rates

of interest that prevail today, are a serious problem for the company; and if in addition it had to acquire shares of other companies and pay the higher rates of interest it would face a mighty big expense and a difficult one to finance. This section of the bill, therefore, involves more than mere procedure, it involves basic essentials.

Honourable senators, while the immediate object of this company is to acquire the North-west company, as to which there will be no difficulty, it also has its eye on several other smaller companies that are operating under difficulties in the province, and it would be an extremely good thing, not for the shareholders, but for the subscribers of those companies, if the companies were taken over by the British Columbia Telephone Company.

Hon. Mr. Macdonald: Does the company operate beyond the province?

Hon. Mr. Farris: No, it does not. This company by its charter was declared to be for the general benefit of Canada and is entirely under the jurisdiction of the Board of Transport Commissioners of Canada.

While I am very glad to be frank with this house in stating that acquisition of the North-west Telephone Company is the immediate objective, it would not be good policy to mention any other companies that the British Columbia Telephone Company has its eyes on. As a matter of fact, it has no definite company in mind, but if we had to come back and get special powers for each one the shares of every such company would go so fast that you wouldn't see them.

Hon. Mr. Dupuis: Has the company got its eye on Bell Telephone?

Hon. Mr. Farris: Well, I do not know. I might say that the Bell Telephone Company will not have its eye on the British Columbia Telephone Company.

Hon. Mr. Roebuck: The Bell Telephone Company is not in British Columbia.

Hon. Mr. Farris: No, it is not in British Columbia; and I think it would be very foolish to make such an attempt.

Hon. Mr. Dupuis: The British Columbia Telephone Company is very co-operative with the Bell Telephone Company, I understand?

Hon. Mr. Farris: Yes. It is a good thing to be co-operative in business, a most desirable thing, and particularly in the telephone business.

This is not part of what I had intended to say, but it occurs to me that today in New York you can push a button and talk directly to Seattle; and before very long we are going to be able to pick up the receiver in Montreal in the same way and talk to Vancouver, Victoria, and other distant points. This cannot happen unless there are large operations with tremendous financial backing—with ability to finance not only what has to be done immediately but any stage of scientific developments and improvements that will give the best service.

Honourable senators, I could get warmed up on this subject and talk for some time, but I think I have said enough to give you the picture and to emphasize that the kind of power sought in this bill is needed not only in the interests of the company's subscribers but of the people of Canada generally. Because of the silent assent I got last night—

Hon. Mr. Roebuck: Silence is golden!

Hon. Mr. Farris: Yes. If second reading is given to this bill, I shall move that the bill be referred to the Standing Committee on Transport and Communications, to be discussed tomorrow. Mr. Armstrong, Chief Clerk of Committees, informed me today that I shall have to impose upon the good nature of honourable senators again. He has handed me another resolution which I will move after the bill has been referred to committee, as I hope it will be.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On the motion of Hon. Mr. Farris, bill referred to Standing Committee on Transport and Communications.

Hon. Mr. Farris: The Chief Clerk of Committees tells me that in order to have the bill considered in committee tomorrow I must obtain the unanimous consent of the house to the motion which I now move:

That Rule 119 be suspended in so far as it relates to the Bill S-20 intituled: "An Act respecting British Columbia Telephone Company".

If this motion were not passed the bill could not be considered by the committee for a week. I may say that Mr. McLean, president of the company, is either in Ottawa or in New York on his way here and will arrive tomorrow morning.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 205 to 217, which were presented yesterday.

Hon. Mr. Roebuck moved that the reports be adopted.

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

Hon. Mr. Roebuck: Will the honourable senator give the reason why?

Hon. Mr. Pouliot: Because I want to make a carefully drafted speech.

The Hon. The Speaker: Honourable senators, it is moved by the Honourable Senator Pouliot, seconded by the Honourable Senator Dupuis—

Hon. Mr. Dupuis: No.

The Hon. The Speaker: It is moved by the Honourable Senator Pouliot, seconded by the Honourable Senator Croll, that the debate be adjourned.

Motion agreed to.

BILLS—SECOND READINGS

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

Bill SD-156, for the relief of Dorcina Doris Dubuc Clark.

Bill SD-157, for the relief of Gerald Healy.

Bill SD-158, for the relief of Marlene May Myles Robinson.

Bill SD-159, for the relief of Phyllis Louise Clements Harris.

Bill SD-160, for the relief of Anne Olivia Sinclair Fuller.

Bill SD-161, for the relief of Viola Mabel Stead Cole.

Bill SD-162, for the relief of Patricia Ann Shirley Howell.

Bill SD-163, for the relief of Lillian Juanita Sheppard Simpson.

Bill SD-164, for the relief of Ivy Winifred Grace Arthur Birks.

Bill SD-165, for the relief of Barbara Ruth Aird Barwick.

Bill SD-166, for the relief of Diane M. L. Turner Hammond.

Bill SD-167, for the relief of Dorothy Craven Masse Perrett.

Bill SD-168, for the relief of Helen Landau Shuster.

Bill SD-169, for the relief of Fagy Litner Selinger.

Bill SD-170, for the relief of Pearl Shedlack Dubin Birnbaum.

Bill SD-171, for the relief of Joseph Szczepanski.

Bill SD-172, for the relief of Magdalena Beata Landau Weissler.

Bill SD-173, for the relief of Frantisek Sladek.

Bill SD-174, for the relief of Kathleen Beatrice Title Levy.

Bill SD-175, for the relief of Helen Caroline Coleman Lewchuk.

Bill SD-176, for the relief of Marie Paule Andree Mercier Rowney.

Bill SD-177, for the relief of Alexander Leslie Mittler.

Bill SD-178, for the relief of Beatrice Jean Madsen Rockburn.

Bill SD-179, for the relief of Emma Strachan MacInnes Creery.

Bill SD-180, for the relief of Vira (Vera) Kotyk Marsden.

Bill SD-181, for the relief of Shashi Kumar Pande.

Bill SD-182, for the relief of Ethel Georgina Pottle Pallen.

Bill SD-183, for the relief of Marilyn Shendelman Kagan.

Bill SD-184, for the relief of Joseph Henri Marcel Vinet.

Bill SD-185, for the relief of Martha Dammel Reiche Domnauer.

Bill SD-186, for the relief of June Isabella Adamson Hogan.

Bill SD-187, for the relief of Wincenty Strzelczyk.

Bill SD-188, for the relief of Janina Rodzoch Nowak.

Bill SD-189, for the relief of Margaret Ruth McLellan Kennedy.

Bill SD-190, for the relief of Hazel Ina McEwing Hickey.

Bill SD-191, for the relief of Marie Marthe Alberta Ladouceur Parenteau.

Bill SD-192, for the relief of Olga Gokler Crisan.

Bill SD-193, for the relief of George Graham Thresh.

Bill SD-194, for the relief of Joseph Arthur Porcheron.

Bill SD-195, for the relief of Paul Drolet Massue.

Hon. Mr. Pouliot: Honourable senators, on account of the help I received from the honourable senator from Toronto-Spadina (Hon. Mr. Croll) I will not insist on making a speech on these bills.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: Next sitting.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, February 25, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following report:

Report on activities under the Maritime Marshland Rehabilitation Act for the fiscal year ended March 31, 1959, pursuant to section 9 of the said act, being Chapter 175, R.S. 1952. (English text).

PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—REPORT OF COMMITTEE

Hon. W. R. Brunt, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-20, respecting British Columbia Telephone Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. J. W. de B. Farris: Honourable senators, I move that the bill be placed on the Orders of the Day for third reading on Tuesday next.

May I say just this. I feel sure that all who were present at the discussion this morning will be convinced that the expedition in no way lessened the liveliness of the discussion.

Motion agreed to.

DIVORCE

STATISTICS

On Reports of Committees:

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce: Honourable senators, I have no formal report of the Standing Committee on Divorce, but I have information, which I think the house would like to hear, on the committee's proceedings.

The time limit for filing of petitions expired yesterday under Senate Rule 110, which allows six weeks from the opening of the session for filing of petitions for all private bills. The time limit has now expired, and I am in a position to inform the house how many petitions will require consideration at this session.

There were 589 petitions filed, which is the largest docket we have had since I have been chairman of the committee. I think I am safe in saying it is the largest docket we ever had.

Hon. Mr. Pearson: There must be extra good times in Quebec.

Hon. Mr. Roebuck: Perhaps that is the explanation, or it may be bad times.

The petitions already heard and recommended number 228. Ten petitions have been withdrawn, for various reasons, the chief one being that the parties have become reconciled. We are always happy to receive information of that kind. In every such case we permit the petitioner to withdraw the petition, and we return the fees paid, less $25 for translation and printing costs.

Petitions partially heard number 4 and petitions to be disposed of at the present number 347. As the total number of petitions is 589, we have not yet quite reached the half-way mark, but we are close to it.

At the 1959 session 420 petitions had been filed prior to the time limit provided by Rule 110. With 589 petitions now filed for the present session there is an increase this year of 169 petitions.

It is said that hard cases make bad law, and hard cases sometimes make bad administration. The extending of the time for filing last session was done out of the kindness of our hearts and for good reasons which I need not repeat now, but reasons which will probably not recur at this session. The extended date last year was April 17, by which date a further 29 petitions were filed, bringing the total for that session to 449.

At the present session 26 notices of contestation have been filed, and of these at least three have been disposed of.

To date 238 petitions have been either recommended or withdrawn, as against 125 on the comparable date last session. From this you will see that we have been making rather marked progress so far.

Hon. Mr. Beaubien: Have there been any rejections?

Hon. Mr. Roebuck: They will be among the petitions partially heard. I referred to those that have been partially heard, and I do not wish to say anything more on that point.

There is another point, however, that I would like to mention before I sit down. Honourable senators will remember that the honourable senator from De la Durantaye (Hon. Mr. Pouliot) said that he had experienced some difficulty in tracing bills to the reports. The system now in vogue has been that followed since, I suppose, 1867,

when the committee was first constituted. I have never heard of any complaint on this point before; nevertheless, the honourable senator has a point. It is easier to trace reports by reference to their numbers than to the names of the petitioners. I am now in a position to inform the honourable senator that he will find the number of the relevant report on the lower left-hand corner of the front page of every bill which he receives in future.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, March 1, 1960, at 8 o'clock in the evening.

Motion agreed to.

IMMIGRATION

REFUGEES

Hon. William M. Wall inquired of the Government, pursuant to notice:

(1) What is the exact operative definition of the term "refugee", as currently being applied in carrying out the regulations and the attendant administrative practices of the Department of Immigration?

(2) What is the differentiation now being made by the Department of Immigration between those residents of Canada who

(a) may sponsor as landed immigrants a refugee or a refugee family as defined in (1) above; and

(b) who may sponsor as landed immigrants others than those defined as refugees?

(3) How many of the 106,928 immigrants who were admitted to Canada during 1959 were sponsored

(a) as refugees,

(b) as others?

(4) How many of the refugees and of the other landed immigrants respectively and referred to in (3) above, were sponsored

(a) by individual Canadian residents?

(b) by private organizations and associations, exclusive of public authorities at the three levels of government?

(5) At the commencement of World Refugee Year, in June 1959, how many refugees were there in Europe, in or outside refugee camps?

(6) Since the initiation of World Refugee Year, in June 1959, what is the sum-total of refugees who have been sponsored in Canada

(a) by the various levels of government?

(b) by individuals and interested organizations?

(7) Were the 100 refugee families sponsored by the Canadian Government chosen by the United Nations High Commissioner for Refugees? What supervisory or other role was played in this choosing by Canadian immigration officers?

(8) Including the 100 families who have been sponsored by the whole Canadian community through the instrumentality of the federal Government, how many refugees are likely to be admitted to Canada during World Refugee Year?

Hon. W. M. Aseltine: Honourable senators, I have received the following answer to this inquiry:

1. A bona fide refugee means a person

(a) displaced from his country of nationality or citizenship as a result of events arising out of World War II who has not been permanently resettled in his country of present residence, or

(b) who, being stateless or a citizen of one of the undermentioned countries, fled therefrom since closure of the International Refugee Organization on December 31st, 1951:

Albania	Lithuania
Bulgaria	Poland
Czechoslovakia	Roumania
Estonia	East Zone of Germany
Hungary	U.S.S.R.
Latvia	Yugoslavia

2. (a) citizens or permanent residents of Canada or organizations, agencies and municipal or provincial authorities may sponsor refugees or refugee families, whether relatives or non-relatives, from Europe.

(b) residents of Canada may sponsor the admission of relatives in accordance with the attached extract from the Immigration Regulations. Attention is directed particularly to subsections (c) and (d) of Regulation 20.

3. In 1959 immigration statistics record 59,360 persons (including refugees) admitted as sponsored immigrants. No separate tabulation is made of the number of sponsored refugees included in this total.

4. In 1959 immigration statistics record 53,929 persons (including refugees) admitted under the sponsorship of their relatives in Canada and 5,431 persons admitted under the sponsorship of others in Canada. No separate tabulation is made of the number of persons admitted under the sponsorship of private organizations, associations or public authorities. In addition, no separate tabulation is made of the number of refugees included in these totals.

5. The United Nations High Commissioner for Refugees estimated that in mid-1959, 113,700 non-settled refugees remained in Europe, of which 23,700 were living in 114 official camps in Europe.

6. (a) Since the inauguration of World Refugee Year, 342 refugees have been admitted to Canada under the auspices of the federal Government in the special movement of tubercular refugees and their families.

(b) No statistics have been maintained of the number of refugees admitted under other sponsorship during this period.

7. The tubercular refugees and their families were nominated by the United Nations High Commissioner for Refugees and referred to Canadian immigration officials in Europe who determined their admissibility under the Immigration Act and Regulations apart from the medical disability in respect of tuberculosis.

8. The federal Government's immigration program enables thousands of refugees to be admitted to Canada annually. It is the policy of the Government not to distinguish between refugees and other immigrants, and immigration statistics do not record the number of refugees included in the annual immigrant movement. Therefore, the number of refugees who have been admitted to Canada thus far in World Refugee Year is unknown and it is impossible to estimate the number who may be admitted during the whole of this period.

IMMIGRATION REGULATIONS

Admission to Canada

20. Landing in Canada of any person is prohibited except where the person falls within one of the following classes of persons who may be landed in Canada if such person meets the requirements of the act and of these regulations:

(a) a person who is a British subject by birth or by naturalization in the United Kingdom,

Australia, New Zealand, or the Union of South Africa, a citizen of Ireland, a citizen of France born or naturalized in France or in St. Pierre and Miquelon Islands, or a citizen of the United States of America if such person has sufficient means to maintain himself in Canada until he has secured employment therein;

(b) a person who is a citizen by birth or by naturalization of Austria, Belgium, Denmark, the Federal Republic of Germany, Finland, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden or Switzerland or who is a refugee from a country of Europe, if such person undertakes to come to Canada for placement under the auspices of the Department or, if the Department has given its approval thereto, for establishment in a business, trade or profession or in agriculture;

(c) a person who is a citizen by birth or by naturalization of Egypt, Israel, Lebanon, Turkey, or of any country of Europe or of a country of North America, Central America or South America if such person is the husband, wife, son, daughter, brother, sister, as well as the husband or wife and the unmarried children under 21 years of age of any such son, daughter, brother or sister, as the case may be, the father, the mother, the grandparent, the unmarried orphan nephew or niece under 21 years of age, the fiance or fiancee, of a Canadian citizen or of a person legally admitted to Canada for permanent residence who is residing in Canada and who has applied for any such person and is in a position to receive and care for any such person; or

(d) a person who is a citizen of a country other than a country referred to in paragraphs (a), (b) or (c) or in section 21, if such person is the husband, the wife or the unmarried child under 21 years of age, the father where he is over 65 years of age, or the mother where she is over 60 years of age, of a Canadian citizen or of a person legally admitted to Canada for permanent residence who is residing in Canada and who has applied for and is in a position to receive and care for any such person, but no such child shall be landed in Canada unless his father or his mother, as the case may be, is landed in Canada concurrently with him.

21. The Government of Canada having entered into an agreement with the Government of India, the Government of Pakistan and the Government of Ceylon with respect to the admission to Canada of 300, 100 and 50 persons annually from such countries, respectively, the landing in Canada of persons from any such country is, notwithstanding section 20, limited accordingly to such numbers of persons respectively, and in addition to the husband, the wife or the unmarried child under 21 years of age, the father where he is over 65 years of age or the mother where she is over 60 years of age, of a Canadian citizen or of a person legally admitted to Canada for permanent residence who is residing in Canada and who has applied for and is in a position to receive and care for any such person.

SUPREME COURT OF CANADA

CASE OF LEWIS D. DUNCAN, Q.C.

Hon. Jean-François Pouliot moved, pursuant to notice:

For copy of the notes of the Judges and of the judgment of the Supreme Court of Canada in the case of Mr. Lewis D. Duncan, Q.C., who has been sentenced to a fine of two thousand dollars for having challenged one of the Justices of that Court.

Hon. Mr. Aseltine: Honourable senators, I now table the documents requested, and I have a copy which I am sending to the honourable senator from De la Durantaye (Hon. Mr. Pouliot).

Hon. Mr. Pouliot: Honourable senators, I would like to know who were the judges who sat and gave judgment in the case of Mr. Lewis D. Duncan, Q.C. These names do not appear in the judgment. I would ask to have the answer to this inquiry completed. Thank you.

BRITISH NORTH AMERICA ACT

COMMISSIONS OF JUDGES REFERRED TO IN PROPOSED AMENDMENT RE TENURE OF OFFICE

Hon. Jean-François Pouliot moved, pursuant to notice:

For copies of the forms used for the commissions of the Judges of the Superior, District or County Courts referred to in the motion which appears on pages iii and iv of the Routine Proceedings of February 3, 1960.

Hon. W. M. Aseltine: Honourable senators, I am tabling documents under this motion, and am furnishing a copy to the honourable senator from De la Durantaye (Hon. Mr. Pouliot). The honourable gentleman asked for the forms used for the commissions of the judges of the Superior, District or County Courts. The Minister of Justice states that the number of such forms is approximately 70 and that after a consultation the honourable senator agreed to accept production of the four basic forms used by the department.

Hon. Mr. Pouliot: Honourable senators, I am very grateful to the honourable Leader of the Government (Hon. Mr. Aseltine) for having tabled these documents.

NATIONAL PAROLE BOARD

On the notice of inquiry by Hon. Mrs. Fergusson:

1. Have any representations been received by the Prime Minister or by any other member or members of the Government to appoint a woman member to the National Parole Board?
2. If such representations have been received, by whom were they made?
3. If such representations have been received, what, if any, action is contemplated by the Government?

Hon. Mrs. Fergusson: May I ask the honourable Leader of the Government when I can expect to have an answer to my inquiry, of which I gave notice on February 2?

Hon. Mr. Aseltine: I would ask the honourable senator to be patient for another day or two. I am doing the best I can and hope to have the answer at the next sitting.

Hon. Mrs. Fergusson: Thank you.

PRIVATE BILLS

CANADIAN REASSURANCE COMPANY—THIRD READING

Hon. Arthur M. Pearson, for Hon. Mr. Thorvaldson, moved the third reading of Bill S-13, to incorporate Canadian Reassurance Company.

Hon. W. Ross Macdonald: Honourable senators, this bill was amended in committee. I did not happen to agree with the amendment, but I think there were only two or three who felt as I did. That, of course, does not say I was wrong, and I still feel the amendment is not a proper one. However, as the company accepted it I will not oppose it. I am not suggesting that reference to the amendment should necessarily be made when the bill is presented for third reading; I am merely drawing attention of the house to the fact that the bill was amended in committee and that I was not one of those who supported the amendment.

Motion agreed to and bill read third time and passed.

MUNICH REINSURANCE COMPANY OF CANADA —THIRD READING

Hon. Donald Cameron, for Hon. Mr. Molson, moved the third reading of Bill S-14, to incorporate Munich Reinsurance Company of Canada.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-156, for the relief of Dorcina Doris Dubuc Clark.

Bill SD-157, for the relief of Gerald Healy.

Bill SD-158, for the relief of Marlene May Myles Robinson.

Bill SD-159, for the relief of Phyllis Louise Clements Harris.

Bill SD-160, for the relief of Anne Olivia Sinclair Fuller.

Bill SD-161, for the relief of Viola Mabel Stead Cole.

Bill SD-162, for the relief of Patricia Ann Shirley Howell.

Bill SD-163, for the relief of Lillian Juanita Sheppard Simpson.

Bill SD-164, for the relief of Ivy Winifred Grace Arthur Birks.

Bill SD-165, for the relief of Barbara Ruth Aird Barwick.

Bill SD-166, for the relief of Diane M. L. Turner Hammond.

Bill SD-167, for the relief of Dorothy Craven Masse Perrett.

Bill SD-168, for the relief of Helen Landau Shuster.

Bill SD-169, for the relief of Fagy Litner Selinger.

Bill SD-170, for the relief of Pearl Shedlack Dubin Birnbaum.

Bill SD-171, for the relief of Joseph Szczepanski.

Bill SD-172, for the relief of Magdalena Beata Landau Weissler.

Bill SD-173, for the relief of Frantisek Sladek.

Bill SD-174, for the relief of Kathleen Beatrice Title Levy.

Bill SD-175, for the relief of Helen Caroline Coleman Lewchuk.

Bill SD-176, for the relief of Marie Paule Andree Mercier Rowney.

Bill SD-177, for the relief of Alexander Leslie Mittler.

Bill SD-178, for the relief of Beatrice Jean Madsen Rockburn.

Bill SD-179, for the relief of Emma Strachan MacInnes Creery.

Bill SD-180, for the relief of Vira (Vera) Kotyk Marsden.

Bill SD-181, for the relief of Shashi Kumar Pande.

Bill SD-182, for the relief of Ethel Georgina Pottle Pallen.

Bill SD-183, for the relief of Marilyn Shendelman Kagan.

Bill SD-184, for the relief of Joseph Henri Marcel Vinet.

Bill SD-185, for the relief of Martha Dammel Reiche Domnauer.

Bill SD-186, for the relief of June Isabella Adamson Hogan.

Bill SD-187, for the relief of Wincenty Strzelczyk.

Bill SD-188, for the relief of Janina Rodzoch Nowak.

Bill SD-189, for the relief of Margaret Ruth McLellan Kennedy.

Bill SD-190, for the relief of Hazel Ina McEwing Hickey.

Bill SD-191, for the relief of Marie Marthe Alberta Ladouceur Parenteau.

Bill SD-192, for the relief of Olga Gokler Crisan.

Bill SD-193, for the relief of George Graham Thresh.

Bill SD-194, for the relief of Joseph Arthur Porcheron.

Bill SD-195, for the relief of Paul Drolet Massue.

Hon. Jean-François Pouliot: Honourable senators, I wish, in the first place, to thank the chairman of the committee for the trouble he took in giving instructions to have the number of the report placed on each bill. However, the word "report" is misleading. What I have before me contains two things, the transcript of the evidence and a report.

Hon. Mr. Aseltine: And the petition.

Hon. Mr. Pouliot: Yes, but if you look at it you will see that there should be five words, "transcript of evidence and report", instead of only "report". The report is here with us, and without the evidence which is included therein the Divorce Committee could never render any decision. I was right in shocking some of my honourable colleagues, although that was not my purpose, in moving adjournment of the debate on the motion to adopt certain reports of the Divorce Committee, because here I have two reports which I received in the mail this morning, Nos. 156 and 157, and which I could not find before. In spite of the fact that these reports had not been distributed to my honourable colleagues and to myself, the bills based on them were on the Order Paper for several days for second and third reading. The matter should be checked, and I am sure the honourable chairman of the committee will give definite instructions so that no bill is put on the Order Paper unless the report has been distributed beforehand to every honourable senator.

I am very glad that the honourable chairman has given instructions to have the number of the report printed on each bill, so that we can proceed just the same as is done in all courts. Mr. Speaker knows, as a practising lawyer, and any man who has been in business knows, that the evidence in a case must bear the number of the case itself, because the evidence is the marrow and heart of the case. Any lawyer who has practised for a month or two knows that. I was surprised that in this chamber that practice had not been followed. It is the simplest thing on earth. It should be done, and it has been ordered by the chairman; but one had to ask for it, when it should not have been necessary to ask for it.

Honourable senators, I want to say that I have great respect for the Chair, and I realize here, as I did in the House of Commons, that Mr. Speaker has the right to call me to order, and even to lecture me, if he will—I know he will not do so without any reason, and I hope the occasion will never occur. However, I am not to receive any lecture from any one of my colleagues. I stand here as a member of the Senate of Canada, and I am sincere in my work. Honourable senators are not bound to agree with me, but on the other hand, I want them to have respect for my opinions as I have for theirs.

With regard to the fact that I did not adjourn the debate on second reading of these bills, bills that are now before us for third reading, I must pay a special tribute to my honourable colleague, the honourable senator from Toronto-Spadina (Hon. Mr. Croll), who, although he had seconded the motion for adoption of Reports numbered 205 to 217 from the Standing Committee on Divorce, was gracious enough to support my motion for adjournment of the debate on that motion.

This comes to what I said yesterday. We may differ wholeheartedly and entirely in matters of principle, but differences of opinion shall never affect friendship. Something which is no less important is fairness—fairness based on the understanding of the rules and practices of Parliament, of the British Parliament as well as ours.

My intention is not at all to make any filibuster, the purpose of which is to delay. I do not want to delay. I have said what I intended to say for a long time. During the five previous years that I have had the honour to sit in this distinguished chamber I have tried to feel the pulse of the Senate. Now, having gained some experience from listening to those who had more experience than I had, I am in a position to defend and promote ideas and principles in which I believe. And, mark you, honourable senators, I do not do this as a Roman Catholic, I do not do it as a French Canadian, nor as a lawyer, but I do it as a senator of Canada, so that the people of Canada shall not lose the respect they have for the institution to which we are so proud to belong.

Hon. Mr. Roebuck: Honourable senators, I think I should explain that I have never asked this house to pass a bill on divorce, or on any other matter, when the supporting report was not on the Table. The report may be seen at the Table by any senator while the house is in session, or in the Clerk's office after the house adjourns. The reports which my friend said he had received after the bills based thereon had been passed are printed copies of reports that I had laid on the Table in the first instance.

The report is not printed until after the bill has been passed, and the chief purpose of printing is to have the material sent to the Commons. No other private bill is printed

and distributed in that way. The committee report on other private bills is not printed and distributed, but honourable senators can see it in the Clerk's office at any time after it has been presented to the house.

Divorce proceedings are in a special position, however, in that we print the report and send it to the Commons. However, we don't do this until after the bill has been passed, so it is impossible to accommodate my friend in that particular.

Hon. Mr. Pouliot: Honourable senators, I want to be clearly understood. It makes no sense to receive today the reports of the evidence for bills which have been previously on the Order Paper. There is no reason why we should not wait until we have the reports at hand before we put the bills on the Order Paper. That is my view, and I have expressed it in the best English that I can and in a manner to be understood by all. I will give you an opportunity to think a little about it. I do not contend that I am the only one who is right. Neither do I contend that anyone, from the chairman of the committee down, has any more rights than any other individual member of this chamber.

Hon. Mr. Roebuck: I have never claimed any.

Hon. Mr. Pouliot: Well, it is a good thing to admit it.

In answer to the honourable senator from Mille Isles (Hon. Mr. Monette), who has told us that we should remain in super-isolation and in admirable indifference with regard to divorce legislation, I will mention to him an interview that was given by a Roman Catholic English Jesuit to the effect that Roman Catholics could take part in any matter that is decided by the Constitution. I do not say that those are my words. My honourable friend is free to say what he likes, but he has no reason to lecture me because I take another stand. It is my own business. It is his business to decide what he wants to do, and he may do it conscientiously, according to his best judgment. Similarly, I will act conscientiously and according to my best judgment.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. F. Elsie Inman: Honourable senators, first of all I wish to extend congratulations to our Speaker on the dignity, graciousness and impartiality with which he fills his high office in this august chamber. It is a pleasure to have him again with us. We are also pleased to see the Leader of the Government (Hon. Mr. Aseltine) and the Leader of the Opposition (Hon. Mr. Macdonald) in this house in their seats directing the deliberations of the Senate in their usual capable and amicable manner.

I take this opportunity to extend a very warm and sincere welcome to the three honourable senators who have recently joined us here. It is a very special pleasure to welcome among us another lady senator, the Honourable Olive L. Irvine. I wish for them a long and happy sojourn in this house. They will make a very worth-while contribution to our deliberations. Senator Irvine's maiden speech of last week was excellent and interesting, a forerunner of what we may expect from her in the future.

I would add my congratulations to the mover of the address in reply to the Speech from the Throne, the honourable senator from Rougemont (Hon. Mr. Courtemanche) and to the seconder, the honourable senator from Colchester-Hants (Hon. Mr. Blois), on their very interesting speeches.

On previous occasions I have brought to the attention of honourable senators the great importance of the tourist industry to Canada, and again I wish to emphasize the value of this business as a factor in our economy. Tourism is everybody's business, and it is important that it have the recognition and co-operation of all citizens in order that the fullest potential of this industry can be attained. There is a tremendous job to be done in making Canadians aware of the influence of the tourist business on the economy of this country. In fact, since it is our third largest industry, it is vital to our economy and necessary to our growth and development.

Tourism now is a continuing industry, not just seasonal. We have been prone to think of a tourist as someone who comes to our country once a year on a vacation, but that has changed. Think of the conventions, meetings and business trips that bring people from one place to another. All these things mean expenditures which have an effect on and enter into every phase of the economy and growth of this country and provide a source of income for many thousands of our citizens. Tourism means all the economic activity in connection with visitors and travel; so to foster and aid the tourist industry in Canada should be, and is, a sound investment.

Competition is keen. Europe is now on a competitive level, as are many other countries. Someone facetiously suggested that perhaps we should arrange loans to European nations so that payments would be made to us after each tourist season. Canada should glamourize her attractions to a greater degree —east, west, north and south—for this business of tourism is not just regional or provincial, but is a national affair. I repeat, it is everybody's business. Whatever you do for a living, this industry contributes to your income. Tourists spend money. They buy food, living accommodation, gasoline, entertainment and all the things that make up and are necessary to a pleasant holiday. Tourism does not take from our natural resources. We sell tourists food, of which we have ample; we sell them our goods, services and transportation; and for the tourist industry we do not have to package these things for export.

We must encourage travel within Canada. I believe that Canadians should know their country first. This would be a tremendous factor in national unity, and a united nation is a powerful nation. In a country as widespread as Canada we need to know one another better, and to understand one another's problems. All for one and one for all—that is the way to attain complete unity.

It is a fact that few industries have developed so fast during the past decade and a half as has the tourist industry, and this is only a short step, just the beginning. With better transportation facilities, more and better accommodation and eating places, Canada has almost no limit in this business of tourism. We must exploit our natural attractions for we have them, unlimited.

Every area, every part, of Canada has some historical background which, if properly exploited, would attract visitors. And what we, perhaps, regard as ordinary, because we live with it, might be exceedingly interesting to tourists. Other countries are spending huge sums of money on promoting their tourist attractions, so I would suggest, honourable senators, that we do not fall behind in this very competitive business. We need to get things done instead of merely talking or making plans for the future which are as quickly forgotten as an unsuccessful candidate after an election. Now is the time for action to make the Canadian public aware of how important this tourist industry is to Canada's economy.

The Maritime provinces are one section of this great country which offers the summer vacationer one of the most diversified and entertaining holiday areas in Canada, indeed in North America. Long, warm, sunny days and cool restful nights provide the essence of comfort for those people who leave the humidity and heat of the cities. There are sports and entertainments to please the taste of everyone. Each of the Atlantic provinces has its attractions which are peculiar to it alone.

I would like to congratulate our sister province, Nova Scotia, on the very beautifully illustrated booklet which I have received from its tourist department. It is a magnificent effort. I may add that, from what I have seen of Nova Scotia—and that is a considerable amount—the views are not in the least exaggerated. Nova Scotia has very lovely scenery and many historical attractions. Of course, that is also true of the other three Atlantic provinces. I have visited New Brunswick and Newfoundland and each has its special appeal to a visitor.

Now I wish to tell honourable senators about some of the attractions and facilities we have for tourists in my province. It was in 1534 that this small island welcomed the first white man to her hospitable shores. The Micmacs called it Abegweit; the French called it Isle St. Jean; for a short time it was known as New Ireland, and eventually it became Prince Edward Island. It has also been given such glamorous names as "The Garden of the Gulf", "The Eden of Canada" and "The Million Acre Farm", but to its own native people it is always "The Island". And, of course, what other island is there? Here is Canada at its best, "The Garden Province".

This smallest province has something new this year, and this is it: A tartan! Let me point to the colours and tell you what they mean. The red represents the soil; the green is for the grass and trees. We are very proud to possess this tartan.

Hon. Mr. Higgins: Does one have to be a Scotsman to wear that tartan?

Hon. Mrs. Inman: We would let you wear it if you like, Senator.

Prince Edward Island is separated from the mainland by Northumberland Strait, a body of water 150 miles long and about nine miles wide at the narrowest point. This point is where we hope to have a causeway some day. Owing to tidal currents this strait is never entirely frozen over, but winter navigation is often difficult, owing to floating masses of ice.

The earliest regular winter crossings began in 1828 in open boats, with the courier getting the equivalent of $16 per trip. At the outset trips were made only monthly, then weekly; and later they were made daily, when weather allowed. The rates were finally reduced to $2 per trip for each passenger with 40 pounds of baggage. The boats were about 40 feet

long, fitted with runners. They were rowed across the stretches of open water, then hauled by the crew, aided by the passengers, over the ice pans. Women, children and elderly men were excused from this duty. And, by the way, if you took a chill you didn't have the benefit of something strong to drink.

It is a long call from those days, and visitors to our province can now travel in comfort in palatial train and automobile ferries.

Visiting Prince Edward Island is an experience and a complete change. It is almost like going to a different world. And when you get there, you will never want to leave. It is so restful, peaceful and surprisingly lovely. It has a charm that brings people back each year. It has a pull they cannot resist.

This province, as honourable senators know, is the cradle of Confederation, and the Confederation Chamber is one of the most historic spots in Canada. In that room one can almost feel the spirit of the "Fathers" as they sat around the great old table, building the Canada of the future.

Nature has been kind to this little province sitting in the Gulf of St. Lawrence. It has one of the best climates in North America, with no great extremes of heat or cold, and no floods or long dry periods to destroy property or crops. Indeed, the weather has been so good this season that our Island may soon be in competition with Florida as a winter resort.

Relaxation comes naturally in this beautiful green and red fairyland surrounded by blue waters. Perhaps that is why there are more octogenarians there, considering the population, than in any other province in this country. There are many miles of uncrowded beaches, and miles of sand dunes providing a background to the white capped waves of the ocean which roll in to caress the white sandy beaches.

The Island is truly a tourist's paradise, landscaped by nature herself. Jacques Cartier's description portrays very aptly the rich red soil and brilliant green grass, and the fragrant trees and fields of this province; he said it was "the fairest land that might possibly be seen". It is of the utmost importance that this natural beauty be cherished and protected in every way possible.

One of our Island's principal attractions as a tourist centre is that it can cater to and satisfy so many tastes and needs of the visitors to her shores. It has a particularly strong appeal for the family who holiday together—and this is a family age. It has long stretches of white sand that are to be found all along the coastline of 1,100 miles, with charming seaside hotels and resorts providing excellent accommodation and entertainment for children and teenagers as well as those of adult age. Swimming, boating, horse racing, golf and tennis, and everything and anything to add to the pleasure of a holiday are available.

Here, too, are 2,184 square miles of constantly changing scenery to be explored and enjoyed, with endless opportunities for a really delightful health-giving vacation. Our main roads are well paved and driving is a pleasure, without congested traffic problems to contend with. I hope the Government will continue its Roads to Resources program. This has been, and will be, of great value to our tourist industry.

If fishing is the tourist's cup of tea, it can be had on the Island in any way desired. Speckled trout up to 18 inches long can be caught in the streams and ponds, and in the rivers during July and August one can hook sea trout of generous proportions. If it is deep-sea fishing that one enjoys, there are cod up to 50 or 75 pounds, and haddock and mackerel in abundance, in the waters surrounding this island province. A day at sea with a good catch to show on return in the evening is a most satisfying experience.

If one enjoys shellfish, our bays and rivers will never prove a disappointment. Oysters may be found on many shores and can be picked up very easily; and, of course, our oysters are the finest to be had. Island oysters, even in the nineteenth century, were preferred to any other oysters on this side of the Atlantic, and still are top favourites. In the earlier years they were found in great quantities and used for fertilizer. Lobsters in season are plentiful, and visitors to our province in May and June can enjoy this delectable crustacean. A visit to the lobster canneries is worth while. To eat a lobster hot from the boiler is something to remember. The Lobster Carnival at Summerside in July is one of the big events of the summer, and a great attraction for visitors.

Honourable senators are no doubt familiar with the early history of this smallest province, and it is a treasure house of history. It is a history of adventure and romance. Perhaps one of the most romantic names of the French régime was that of Count Jean Pierre de Roma, who with three partners began building a new world on a grant of land at the convergence of three rivers—the Montague, Brudenell and Cardigan. This was the first Acadian settlement in the province. De Roma and his companions established and built storehouses, dwellings, wharves, bridges, forts and all the things necessary for the comfort of the settlers who came with him. He dreamed of ruling over a large and happy colony, the centre of a great commercial empire stretching to the West Indies. This was not to be. His partners became dissatisfied

and he had to buy them out. One misfortune after another overtook him, until one day a band of privateers from New England looted and burned the entire establishment, and the work of thirteen years was destroyed in a few hours. De Roma and his family escaped into the forest, and later reached Quebec. From the windows of my home in Lower Montague I can look across the water, less than a quarter of a mile, to this historic spot and try to visualize the dream that ended so tragically.

There are many interesting places and things to see in Prince Edward Island. Green Gables, made famous by Lucy Maud Montgomery, is at Cavendish, and here also is one of the finest golf links in Canada, easily accessible from all the north shore hotels and resorts, as well as from Charlottetown and Summerside. Distances are not great on the Island. On the south shore there is a rock at Cape Wolfe where General Wolfe is said to have landed and eaten breakfast on his way to Quebec.

An hour or two spent in the recently opened museum in my home town of Montague is well worth while. There one can see many articles of interest from the early pioneer days of the Island. It is one of the smaller museums in Canada, but each year it is being added to. A visit here is a real lesson in early Prince Edward Island history.

We have in Prince Edward Island something not to be seen anywhere else in the world. It is at Woodleigh, the country estate of Lieutenant-Colonel E. W. Johnstone, near Burlington. Anyone visiting the Island should not leave without seeing this remarkable and beautiful place. Colonel Johnstone has a hobby, the erection of scale models of famous and tradition-steeped buildings and settings. It is like being in fairyland to visit these "Woodleigh replicas". There is a 12-foot stone model of Glamis Castle with the moat and drawbridge complete. The chimes from York Minster welcome you as you enter by the lodge gate. The Minster itself is 26 feet in length, 9 feet high and 12 feet wide, not including the octagonal Chapter House attached to the north transept. This structure, with its 145 windows composed of thousands of pieces of coloured glass, when illuminated at night is a sight not soon forgotten.

There is the Stoke Poges Church of Gray's *Elegy*, Penn Manor House, Ye Old Blue Dragon Inn—which is large enough to enter, Shakespeare's birthplace, and Ann Hathaway's cottage with its picket fence and flower garden. There is a sundial, a wishing-well, and a set of stocks used for punishing criminals in a past era, which anyone is welcome to try out. There is also a lovely lily pond alive with goldfish which children love. Colonel Johnstone has opened his beautiful estate to the public, and many thousands come each year to visit this magnificent and unusual display of replicas.

Another historical spot, among the many historical places of which this province can boast, is called Belfast. This settlement is not named after Belfast in Ireland. It was the site of one of the earliest French settlements. The French called their village "la Belle face", meaning "the beautiful view", and it finally became abbreviated to Belfast. In 1803 Lord Selkirk brought about 800 Highlanders to this area. The settlers were told that tea grew wild in the swamps on the Island, that whisky flowed from the trees, and that bear hunting provided a de luxe sport.

Hon. Mr. Brunt: What a paradise!

Hon. Mrs. Inman: In spite of the fact that these stories proved to be just "tall tales" the Scotsmen stayed. They imported their tea, made their own whisky and shot all the bears. They built a beautiful church in the district, known as St. John's Presbyterian Church. The tower design was taken from Sir Christopher Wren. Inside the church you can see a memorial to Mary Douglas, the little daughter of Lord Selkirk, whom he brought over when she was eight years of age and left with one of the Scottish families. She grew up and married, and when she died she was buried in the cemetery by the church. The minister of this church preached in two languages, Gaelic and English, and each group contended for supremacy. Back of the gallery there is a little square window where the sexton could look out when the minister was ready to begin his second service, and know when to ring the bell.

It was in this settlement too that the Belfast Riot of 1847 took place—on election day, March 1, 1847, when Scotsmen and Irishmen got into a fight over their respective candidates. Several men were killed, the polls had to be closed and the election held later under military supervision. The fight continued all day, and all the way from Belfast to Charlottetown, a distance of 25 miles. No wonder some of our older citizens used to recall those days and say that elections were no fun any more, that they were too tame. Politics was serious business in our Island in those days and it still is, although we do not go quite so far as killing at our elections now—but no doubt the urge may sometimes be strong.

Apart from the Island's possession of warm sun, salt sea air, historical sites, and everything required for a restful, peaceful holiday,

possibly the feature that most impresses itself on the tourist is the genuine friendliness and hospitality of the people. The Islanders love people. This is perhaps a big reason why so many thousands return, again and again, to visit this beautiful little province.

Prince Edward Island expects a tremendous growth in the tourist industry in the coming years, and to take care of the transportation of tourists across the Northumberland Strait we must have more and better facilities. There is no doubt in the minds of our citizens generally that the most important project that could be instituted by this Government to relieve the congestion of traffic across the strait would be the construction of the much-discussed causeway, but judging by the way it is being kicked around as a political football, and by the stalling and evading, it looks as though this is something that may come only in the dim and distant future—if ever.

It has been announced by the Government that a contract has been let for another auto ferry. This is a move in the right direction and I commend the Government for its foresightedness in this matter. When ready for service this ferry will be of very material aid in transportation, but it may not be ready for two years or perhaps longer. In the meantime the bottleneck will continue and this province must lose many thousands of dollars each year in the tourist industry while waiting for the new boat—a very significant factor in the economy of a small province.

I would, therefore, respectfully suggest that an effort be made before the tourist season opens to secure the services of one or two auto ferries to relieve the transportation problem at our ferry terminals. There must be ferries available for purchase now that the Seaway is in full operation.

Accessibility to our province and increased accommodation for visitors are our greatest needs for expansion of our second largest industry, which perhaps is soon to be our major industry. "Hope deferred maketh the heart sick", but again "Hope springs eternal". We Islanders live in hope of having a causeway some time. But until that time comes we urgently need increased ferry service, as the boats now on duty, even with the new one expected in two or three years, will be insufficient for our summer traffic. Last season 250,000 tourists visited our province. We hope and expect a considerable increase in the coming season.

Eighty-five per cent of tourist travel is by road, and our visitors who come by automobile do not enjoy a wait of five or six hours or even longer before getting on the boat to make the crossing to the Island.

Why do we have to wait so long to have our requests granted? Perhaps we are too polite when asking, or too modest in our demands. Our people are noted for their modesty regarding their province. However, failure to succeed with the first effort is not real defeat. The failure to keep on fighting is what shoves losers into the discard, and let it never be said that Islanders are afraid to fight for anything they consider of benefit to their province.

The situation clearly indicates that if we are to get the fullest potential from our tourist industry we must look to the Government for adequate transportation facilities. And why not? "Federal aid" is simply a system of taking money from the people and making it look like a gift when you hand it back.

In conclusion, I would respectfully but urgently bring to the attention of this Government the great need for a Department of Tourism so that the promotion and expansion of this dollar-producing industry may be brought up to its full potential, not only in Prince Edward Island but in every province and region of Canada.

Hon. A. Neil McLean: Honourable senators, in rising to participate in this debate, may I take this opportunity of congratulating the mover (Hon. Mr. Courtemanche) and the seconder (Hon. Mr. Blois) of the address in reply to the Speech from the Throne upon their excellent speeches. I know the new senators are going to be a worthy addition to this honourable body.

I propose to speak on trade problems, which are becoming more serious every day, especially for Canada, for we know that around 30 per cent of our population depends directly or indirectly on the export trade of the country. Hardly a day passes that we do not see articles in the press stating that this country must put forth greater efforts to increase its export trade. We all agree with this, for the reasons are self-evident. To try and analyse trade as I see it, I shall start at the bottom.

We Canadians possess half a continent of the finest resources in the world. Adam Smith, the founder of our political economy far more than a hundred years ago, stated that all material wealth comes from the land, sea and forests. This statement has never been challenged in any way. After I left high school and entered the banking business, one of the first volumes I read was Adam Smith's *Wealth of Nations* and I shall never forget the great impression it left upon me. Later on, after I entered world trade on a large scale, covering many countries, that book was a great help to me. It was plain

that all our bills, national or otherwise, had to be paid from production: for example, what we derived from land and sea. In other words, if we went up in the air and stayed there long enough, we could not meet our obligations; or if we went down into the bowels of the earth, unless we discovered a mine, we would be equally unable to meet our obligations.

We derive raw materials from our resources, and on a *per capita* basis Canada has more of these resources to draw from than any country in the world. From raw materials we manufacture commodities that give us our standard of living, and it will be a happy day when we arrive at the point where today's production will pay today's bills and the passing on of enormous unproductive debts to future generations shall cease.

There is not a balance sheet in the land that has any assets, profits, earnings or surpluses thereon but you can trace the same right back to Mother Earth. Few of us, if any, supply very much for our own needs. We produce special goods and services for the society we live in and withdraw other goods and services therefrom. Therefore, the vast majority of the commodities we produce go into multilateral trade channels, both domestic and foreign. Trade, as we know, is made up of transactions. One half of a trade transaction consists of real wealth, commodities; the other half is a medium of exchange, or, in plain words, money.

Now, one would naturally think that real wealth, by which we live, would be the predominant or most important part of trade transactions, but such is not the case in practice. Money is generally in the driver's seat, although the only value money has is due to the fact that it is convertible into commodities. In other words, commodities place the only value on money it has ever known. In these circumstances it is self-evident that the flow of money and goods into trade channels must be kept in equilibrium if our country is to have the maximum economic growth. Turning the tap on and off in either case is not a healthy situation. Manipulation by producers of prices of commodities which enter into trade transactions that interfere with free competition would immediately bring the producers into conflict with our Combines Act, if such manipulation could be proved to be for the benefit of the few and not the many. But there is no such law or statute when the other half of our trade transactions—that is, money—may be manipulated and the value changed, whether for the benefit of the few or otherwise.

Canada's present international trade situation is not in an enviable position—far from it. We are being challenged by many nations of the free world. The Prime Minister was right when he spoke recently of the trade challenge of the Soviet Union that will also have to be met in the near future. Russia is not only organized well from a military standpoint, but its economic power is increasing very rapidly at a faster rate than ours, and we can rest assured the Russians are going to take advantage of every opportunity to battle for world markets. Their production is held closely to the needful things that strengthen their country. Many luxuries and really needless commodities such as we have are discouraged. I quite agree with James Muir, President of the Royal Bank, who recently stated that too much of our production is given over to frills, junk and gingerbread. Russia is making trade loans today at 2½ per cent to foreign nations of the free world.

I have before me some recent figures that will give an idea of the standing of some of the leading nations of the free world which are our competitors, as to their place in export trade as compared to ourselves. These figures, which are taken from the United Kingdom Trade Information Service, are from 1956 to 1959. At the beginning of 1956 West Germany had 15.4 per cent of the world's export trade; in 1959 it advanced to 18.5 per cent. Japan, from 5.1 per cent advanced to 6.3 per cent. Italy, from 3.4 per cent, advanced to 4 per cent. The Netherlands, from 3.8 per cent, advanced to 4.2 per cent. Sweden, went from 2.7 per cent, up to 3.1 per cent. Canada, at start of 1956, had 6.1 per cent and in 1959 dropped to 4.9 per cent. This is rather a grave situation for Canada. It is true that our exports have increased, but that does not tell the whole story by any means. World trade has grown at a faster rate and we have not held our own. Our share has gone down from above 6 per cent of the total to below 5 per cent of the total. We are the most vulnerable of any nation, as we depend to such a great extent on export trade. Germany shows the greatest growth, and at the present time it has no unemployment; in fact it is short of labour and is spending a great many millions of dollars on automation and in modernizing its industrial plants.

Germany's plants were practically all renewed after World War II, and therefore it must be remembered that those plants are only about 12 or 15 years old. Germany has no shortage of funds, and her present bonds, 5 per cent (1980), are selling in New York at 106. I think the Governor of the Bank of Canada, who is charged with managing our federal debt, should take note of this.

Germany's Minister of Economics, Ludwig Erhard, is one of the most outstanding financial men of Europe.

At the end of 1959 our deficit trade balance with the world was about half a billion dollars, and our foreign financial commitments for interest on loans, dividends and other services amounted to many hundreds of millions of dollars more. The final figures are not in, but I am informed by the Dominion Bureau of Statistics that they would be between $600 million and $700 million. That is in addition to our trade deficit.

We can only cover this economic gap by reborrowing to a great extent or increasing our exports. We all know the latter is the only sensible course to take. The question can well be asked: Are there serious difficulties holding up our export trade, and if so can anything be done to solve these difficulties before we reach the crisis that lies ahead? What are the flaws in our economy? I think these questions can be answered.

First, I know we have the resources and the brawn and the brain to greatly increase our exports. Many, many millions of dollars will be needed for the automation and modernization of sections of our industrial machine, especially medium and small-sized plants. It might be said that this will bring industry into conflict with the high interest rate and tight money policy of the country. I do not think it will be long before we agree with the report of the Congressional Committee in the United States, which has been holding hearings for a year or more. The committee, according to its report, has decided that the tight money and high interest rate policy of the United States has about outlived its usefulness, and that from now on a greater increase in economic growth should be its main objective. Here in Canada I have no hesitation in stating that, whatever may have been the merits of this policy in the beginning when we were told it was inaugurated to hold down the price level, in the last year or two, for every point it may or may not have held down our cost of living, it has added far more than a point to the cost of living of future generations. In this connection I would like to quote what President Eisenhower had to say a short time ago about this sort of finance, in answer to a question at a press conference:

> I got the idea it would be a good thing for me to write a letter to my own grandson and try to tell him he should stop supporting me. I would like to get over the idea to the younger generation—the people 30-40-50 years younger than we are, and say whenever we add to the national debt one single more dollar you are helping to support me, because I am living on debt I am passing on to you. You are the one to pick up the tab.

This is the view of the gentleman who holds the highest political position in the free world. Deficits and loans for interest payments and current expenses passed on to future generations, without the wherewithal to pay on the other side of the ledger, simply add many millions to their cost of living which is unfair and unjust.

Secondly, under our present monetary policy we are placing a penalty on exports and a premium on imports. Our dollar is inflated in foreign markets around 5 per cent, which in turn means a reduction in the tariff of a like amount. This does not make sense when we have such a large trade deficit. We continually read in the American press about United States exporters being priced out of foreign markets, but Canadian exporters are at a far greater disadvantage compared with exporters across the border. Exporters have to carry large inventories, as the products they produce are to a great extent seasonal and money in Canada costs one per cent more to finance inventories than it does in the United States. The export business of the free world is financed almost exclusively, one might say, by either the British pound sterling or the American dollar. Both are at a sharp discount in Canada. On the other hand, the Common Market of Europe and the Outer Seven, our competitors, are glad to accept these currencies at par. As stated, the American dollar is at a discount of around 5 per cent in Canada. Therefore, when a Canadian exporter takes payment in American dollars, as he is obliged to, this 5 per cent discount has to be met. This, added to the one per cent more he pays for money, puts the Canadian exporter at a disadvantage of 6 per cent in foreign markets. This 6 per cent acts as a tax on Canadian exporters which amounts to well over $150 million per annum.

I checked with the pulp and paper people and they told me that every point of discount meant $10 million a year to that business, so five points means $50 million. I also checked up with the metal people, and they claim that the exchange rate is costing them nearly $100 million yearly. So I know I am safe in saying that the figure is well over $150 million per annum.

If this unnecessary penalty were removed this amount would appear in the profit and loss accounts of our exporting companies, and the federal Government would receive under the corporation income tax half of this amount —well over $75 million per year. The export business is highly competitive and the profits are very moderate, not enough to stand a 6 per cent penalty, or anything like it, so a great deal of export business is being lost to Canada, amounting to hundreds of millions

of dollars per annum, and this at a time when we need to export to the limit, as our deficit trade balance plainly shows.

On the other hand, orders for many millions are being placed in countries outside of Canada for goods which can enter Canada in competition with our own manufactured products, on account of this back-door reduction in our tariff, thus causing unemployment at home. I am not a protectionist, but I believe if we have a tariff it should be a stable one. If our dollar were stabilized in foreign markets, as the British pound is, the gap between our exports and imports would not be long in disappearing, for then our dollar would reflect trade instead of being the tool of debt transactions and speculators.

Some three years ago the British Government appointed what is known as the Lord Radcliffe Committee to investigate the workings of the British economic and monetary system. It was the first committee appointed in England, I think, since the time of the Macmillan committee, and it was given very wide powers. The members of the committee consisted of some of the top bankers and economists of England such as Sir Oliver Franks, Chairman of Lloyds Bank; Viscount Harcourt, Managing Director of Morgan Grenfell and Company; A. K. Cairncross, Professor of Economics at Glasgow University; R. S. Sayers, Professor of Economics at the University of London; George Woodcock, General Secretary of the United Kingdom Trade Union Congress, and several others of equal renown. Lord Radcliffe, Justice of Appeal in the House of Lords, was Chairman.

After two years of close study and many hearings on all phases of the British economic and monetary system, the findings of the report were unanimous. It was handed down last August and in all likelihood will be fully accepted and adopted by the British Government. I may say that some of the main parts have already been adopted. The report has now become quite famous. I have a copy and have read it with great interest. It takes two or three days to read as it is quite lengthy. If any honourable senators wish to read it they can have it to read. It is an extremely interesting report.

The report said the effect of bank rate changes was unpredictable and that the true responsibility for any changes in the bank rate lies with the Chancellor of the Exchequer, and that the announcement should be made explicitly in his name. The Bank of England can be given instructions by the Chancellor of the Exchequer. The Bank of England is described as being essentially subordinate to the Government. The policies to be pursued by the central bank, the report states, must be from first to last in harmony with those avowed and defended by ministers of the Crown. Monetary policy cannot be taken as a form of economic strategy which pursues its own independent objectives. It is part of the country's economy as a whole and must be planned as such.

The economic strategy, the committee says, has three domestic and two external aims. The domestic aims in England are, first, high and stable employment; secondly, stable purchasing power; and thirdly, steady economic growth. The external aims are, first, favourable balance of payment providing capital to invest; and second, strengthening of sterling reserves.

These objectives should work concurrently, but the report states they are not always compatible with each other and only the Government can choose which to stress at any given time. We have been stressing only one of these aims here in Canada—stable purchasing power at the sacrifice of all the others—and our weapon has been monetary action in high interest rates and tight money, whereas the report states plainly that monetary action alone cannot do the job, that it must be associated with the other aims.

Let us consider the first aim, high and stable employment. We know what the monetary policy of high interest rates and tight money did to employment. It brought on a recession that caused an enormous amount of unemployment in all parts of the country. On a *per capita* basis, if Russia had proportionately as many unemployed as we have, it would have eight million people walking the streets and on the backs of the taxpayers. England, instead of having 500,000 unemployed as it has now, would have nearly two million idle; and West Germany, which now has no unemployment, would have two million idle.

As to the third domestic aim—steady economic growth—this very important factor in our economy was slowed down very considerably.

Let us consider now the external aims. First, a favourable trade balance with other nations. Under our monetary policies we are steadily going more and more the other way, piling up trade deficits by the hundreds of millions and sinking ourselves in billions of dollars of debts to foreign countries by mortgaging the heritage our forefathers left us.

As to the second external objective, strengthening of monetary reserves—our monetary reserves have been going downward, if anything, while the reserves of progressive nations like England, West Germany, Japan and others have been rising rapidly. Outside of South Africa and Russia, Canada has more known potential gold

in the ground than any other nation—enough to pay off a large portion of the national debt at least—but no new gold mines of any importance have been opened up in Canada since the last war, simply because the Bank of Canada does not pay an economic price for domestic gold. The price is set in terms of American money, which is at a considerable discount with ours.

A few months ago I inquired what the monetary reserves held by the Bank of Canada were then, and was told they were a little over a billion dollars in gold and something over $800 million in American money and American short term securities, treasury bills and so forth. In other words, the reserve behind our money is partly based on another nation's money. This hardly inspires confidence, when we could mine plenty of Canadian gold to establish an adequate all-out gold reserve, and in addition give needed employment in our mining districts.

It is quite true that our monetary system traces its ancestry to Great Britain. British banking institutions still command the brilliant services of men whose outstanding ability to deal with monetary affairs is admired the world over. But we seem to have gotten very much out of line with England in our financial thinking in recent years. The Radcliffe committee commends the British Government for maintaining a fixed rate for sterling in foreign markets through their equalization fund, as has been the system for some years, and strongly advises against a fluctuating currency such as Canada has.

It is well known that the Chancellor of the Exchequer has around him extremely able financial men to advise him. He also has the advice of the top brains of the Bank of England before he takes any important monetary action, as, for instance, before he makes any change in regard to the bank rate or the interest rates in general, which, the report says, is the responsibility of the Government and should not be determined by the market, as the Government is the largest borrower. Here in Canada, judging by what has happened, our monetary management seems to be pretty much a one-man operation by the Governor of the Bank of Canada, Mr. Coyne, which is quite different from what is happening in England, where they have hundreds of years of experience in monetary affairs.

Confidence in our economy must have a centre or starting point, and that centre is the bank rate which should be kept stable, not a rate that is changing continually. The Montreal *Star* quotes the federal Minister of Finance as saying in a speech made in Toronto a month or two ago:

> If Canada does not maintain the stability of her currency while all other principal countries are doing so with theirs, we will certainly be priced out of world markets with results that will be catastrophe for Canada.

I think we would all agree with that statement, but it is just as important to stabilize our dollar abroad as at home, and constructive action needs to be taken in this regard. We just cannot afford to be out of step with the British pound and the United States dollar, which are the trading mediums of exchange of the free world. Even Russia sells gold for British pounds. Our unstable and undependable dollar in foreign markets is ruinous to the export trade of the country. Many large importers in foreign countries like to contract for Canadian products to be delivered over a period of months, and it is most difficult indeed for Canadian exporters to make such contracts when they are faced with a fluctuating dollar. Great Britain must find that a stable pound in foreign markets pays off, otherwise she would not fix the value of sterling abroad year in and year out as she has been doing.

In many statements made in the press and elsewhere, the people of Canada are urged to save more so that they will not have to mortgage their heritage to foreign countries to carry on ordinary day-to-day services. Now, there are two kinds of so-called savings. Paper savings, or investments in one another's debts, cancel themselves out and do not enrich the country as a whole. True savings can only be founded on an increase in the real wealth of Canada, which has to come about through the economic growth of our country. Those who talk about more savings should define what they mean. After undergoing for four years a policy of tight money and high interest rates, there is no question in my mind but that this policy has seriously interfered with the normal economic growth of Canada. When we see that each bond issue that comes on the market has to have a higher coupon rate to be saleable—which, of course, drives all previous bond issues downward, entailing heavy losses to investors—and first-mortgage lenders asking 8 per cent, and second mortgages costing anywhere from 10 to 15 per cent, we must realize what a rat race for money is going on in the country.

It is true that the banks, as far as they go, are still lending money at 6 per cent; but our tight money policy has by-passed the banks, and hundreds of millions of dollars are now being loaned by lenders outside the banks at usurious rates. Such a situation is not conducive to a normal growth in our economy—far from it.

The tight money policy being pursued year in and year out has forced our provincial Governments, municipalities, cities, and

Crown companies to go to the United States and borrow many hundreds of millions of dollars annually via bond issues in order to get funds to keep up the ordinary services for which these Governments are responsible to their citizens—services such as education, hospitals, roads, bridges, and sundries—practically all current expenses. In 1956 these bond issues amounted to $425 million; in 1957 we mortgaged ourselves via foreign debt for $732 million; and in 1958 it was $629 million, a total of $1,786 million. The figures are not available for all of 1959 as yet, but in the first three-quarters of that year we mortgage ourselves for around half a billion dollars. These loans are borrowed in American money, which immediately has to be thrown on the exchange market in New York to be converted into Canadian dollars. This creates an artificial demand for Canadian dollars—apart from trade—and drives our dollar to a substantial premium. In other words, our dollar is being made the tool of debt and speculators, instead of a dollar to serve trade, which is its primary function.

The inflation cry is no excuse for forcing borrowers to go abroad for funds, as purchasing power turned loose in the economy of a country has the same effect no matter where the money comes from; and when the funds are not made available in Canada, but come in from the United States, the inflation argument does not hold water.

The United States is trying to hold interest rates down as it is helping to finance most of the poorer nations of the free world, and we line up with the latter in seeking financial aid. Such large loans, mostly for current needs, will ultimately be ruinous to the economy of Canada. The United States dollar will purchase more for the American people at home than will our dollar buy for us here in Canada. I agree with Premier Frost of Ontario, and Mr. Walter Gordon, who headed the federal Government's economic commission, that in present circumstances the premium on our dollar is absurd. It has been stated that an equalization fund would cost Canada a great deal of money. I certainly do not agree with this statement. We have legislation for such a fund, as this country has set up an equalization fund several times in the past. In the present circumstances it would be a revolving fund, and to start with the only deficit the fund would incur would be the difference in exchange, which would really be a paper deficit, until such time our dollar is brought back to par with the United States dollar; then the deficit would be wiped out, and the increase in taxes received by the Government from the exporting companies would amount to many millions per annum, as stated. Ultimately the Government and the country are bound to profit through the operation of an equalization fund. Any surplus in American money accumulated could be invested in gold, as the Bank of Canada already uses the American dollar as its measuring stick for purchasing gold. Buying gold to increase our reserves, as the other progressive nations are doing, would serve to strengthen our foreign debt situation.

The gap we are now facing in our trade balance is reaching dangerous proportions and can only be closed by a large increase in our exports. To accomplish this, our exporters must be placed on a par with the exporters of other countries so as to meet world competition, otherwise Canada's share of the export trade of the world will continue to decrease. The first step to be taken is to remove the millstone that is now around the neck of every Canadian exporter, that is, the premium on our Canadian dollar in foreign markets.

The dollar premium has also seriously affected the tourist trade of Canada. Last year Canada had about $100 million deficit in her tourist trade. That is, the amount spent in Canada was $100 million less than we spent abroad.

The Canadian Exporters' Association, representing exporters from all across Canada, at their annual meeting a few months ago, passed unanimously the following resolution, which I would like to put on the record.

> Whereas the premium on the Canadian dollar is seriously damaging the export trade of Canada and whereas if the export trade continues to be seriously impeded, this can have a most damaging effect on the economic stability of Canada.

This resolution was presented to the Government by a delegation.

Since then, both the Fisheries Association and the Canadian Manufacturers' Association have passed resolutions along similar lines. Other trade associations are now considering making representations to Ottawa.

Canadian trade is being challenged at present in every market of the world as never before. Competition is becoming more intensive each month. Time is running out on us. However, we Canadians have the resources of brawn, brain and materials to meet this great challenge successfully. All we ask is to be placed on a fair and equal basis with our competitors throughout the world.

Hon. John J. Connolly: Honourable senators, it is not my intention to take part in a formal way in this debate, but I am stimulated to rise and say a few words because of some of the remarks of the honourable senator from Murray Harbour (Hon. Mrs. Inman), particularly with reference to the province of Prince Edward Island.

In the course of her remarks the honourable lady senator referred to the fact that in Province House at Charlottetown there is a room called "Confederation Room". I know that Province House is not the oldest building in Canada. There are many buildings that are very much older. But, so far as I know, Province House is the only remaining building which was used by the Fathers of Confederation in their negotiations which led to the ultimate passage of the British North America Act in 1867.

I mention this because the building is nearly 100 years old, and in a few years we shall be celebrating the centenary of Confederation. Many projects are being discussed as worthy of completion in connection with that great event. It seems to me that, perhaps, one of the projects which might be considered by the federal authorities, in collaboration with the people of Prince Edward Island, is the restoration of Province House at Charlottetown, and making it fire proof. It is still used as the seat of the provincial Legislature and is situated in the provincial capital, and if it were destroyed it would be a great loss and a great tragedy to the whole country. A project such as this can be thought of, and can be planned, perhaps, even in time for the centenary celebrations, and I hope that the Government here in Ottawa, and also the Government at Charlottetown, will give the idea some consideration.

On motion of Hon. Mr. Beaubien, for Hon. Mr. Savoie, debate adjourned.

JEWISH SETTLEMENT IN CANADA

BICENTENARY OF FIRST ARRIVAL— DEBATE CONCLUDED

The Senate resumed from Wednesday, February 24, the adjourned debate introduced by Hon. Mr. Croll, who drew attention to "the fact that this year marks the bicentenary of the arrival of the first Jewish settler in Canada".

Hon. Wishart McL. Robertson: Honourable senators, I was a little hesitant to move adjournment of the debate yesterday because my contribution to it will be very brief indeed, but I did not wish to proceed then as I knew there was some legislation of an urgent nature which the honourable senator from Vancouver South (Hon. Mr. Farris) wished to speak to. I tender that explanation in view of the very small contribution, in length of time, that I am going to make.

I appreciate the fact that the honourable senator from Toronto-Spadina (Hon. Mr. Croll) has drawn to the attention of the Senate the fact that this year marks the bicentenary of the arrival of the first Jewish settler in Canada. To the various remarks that have been made already I can add only a few words. I heartily concur in them, and I wish to compliment my honourable friend and the race from which he comes upon the splendid contribution they have made to Canada's life—in this respect our honourable colleague himself has set an outstanding example—and to wish them well in the future.

In the speech of my honourable friend (Hon. Mr. Croll), there was one item which, although I must confess I knew it before, I was glad to be reminded of, as perhaps other members of the house were. It is something that some of us are apt to forget. He said:

> We must also take into account Canadians of British and French origin, both of them minority groups, for according to the census of 1951 the British proportion of our population was 48 per cent, and the French proportion was 31 per cent. According to the census of 1958 the British proportion is 45 per cent, and the French proportion is 30 per cent.

I do not think many of us realize to what an extent this country of Canada is represented by people of all other racial backgrounds. An amazing thing in this connection is that in the great country to the south there is a larger proportion of people of British Isles racial origin than there is in Canada. Perhaps I should make an explanation in regard to that. Some years ago I had occasion to address two or three audiences in the United States, one of which included a representative number of members of Congress. I had noticed in the census of 1951 the fact that in the changing trend those who were of British Isles racial origin were in the minority in Canada. I was using the figures of the 1951 census, which showed the proportion to be 48 per cent. I then became curious to find out what the proportion was in the United States. I wrote to the Census Department at Washington, and found out that the last United States census which determined the racial background of citizens was made in 1921, and that since then the practice of ascertaining racial background had been abolished. But at that time the proportion was somewhat over 50 per cent. I am assuming that that proportion has continued in the intervening years, and I may say that at that time it was indicated by the census officials at Washington, in answer to a question from me, that they thought that that was a reasonable assumption.

At any rate, the fact remains that 45 per cent of the people in Canada today are of British Isles racial origin, and I would not be surprised to find from the census of 1961 that the percentage has decreased somewhat.

I thank the honourable senator from Toronto-Spadina (Hon. Mr. Croll), for reminding us again of this fact, and I say, "Truly, Canada is a land of minorities."

Debate concluded.

DEPARTMENT OF JUSTICE BILL

SECOND READING

Hon. George S. White moved the second reading of Bill C-47, to amend the Department of Justice Act.

He said: Honourable senators, the purpose of this bill, as indicated in the explanatory note, is simply to authorize the appointment of two Associate Deputy Ministers of Justice.

The consideration which warrants this change is the increase in the volume of work done by the Department of Justice, and the increased importance of the status of that work, owing to increasing complexity and scope of Government business, bringing the Government, as it does, into contact with many outside organizations, which perhaps was not the case in earlier years. There has been a change and a steady development in the nature and responsibility of the work undertaken by the Department of Justice for other departments of the Government and for the Government as a whole in connection with the legal advice, counsel and representation that must be afforded the Government in the discharge of that work, and in the official relationships on a legal basis that ensue from the nature of that work.

With the possible exception of the Department of Finance, the Department of Justice enters more directly into and has more direct relationship with the work of all the other departments of the Government than does any other single department. It is the responsibility of the Department of Justice to advise all other departments and to draft the legislation of all other departments.

Another reason for the proposed change is the volume and nature of relationships of the Department of Justice with every other department of Government and the fact that these relationships are frequently carried on at a relatively high departmental level.

For these reasons it seems appropriate to provide for two Associate Deputy Ministers of Justice.

The Minister of Justice stated in the House of Commons that it is intended to appoint the two officials who now occupy the positions of Assistant Deputy Ministers of the department as Associate Deputy Ministers of Justice.

Hon. W. Ross Macdonald: Honourable senators, the honourable gentleman from Hastings-Frontenac (Hon. Mr. White) has given a clear general statement of this measure. As he said, all it proposes to do is to authorize the appointment of two Associate Deputy Ministers of Justice. At the present time there is only one such appointment. It may be recalled that it was the intention of the former Administration, as expressed by the Right Honourable Mr. St. Laurent, to appoint two Associate Deputy Ministers of Justice, so the present Administration is merely carrying out the work so well begun by the former Administration. No doubt in the not too distant future the present Government will have some ideas of its own to bring before Parliament.

It will be apparent that I cannot oppose this legislation. In fact, I am completely in accord with it. However, I would like to have more information about it. Almost three long years have passed since the present Administration came into power, and I have forgotten just what the responsibilities of these two Associate Deputy Ministers were to be. I hope the sponsor of the bill will suggest that it be sent to committee so we can get some idea of just how the work will be apportioned. We would also have an opportunity then of finding out the scope of work done by the Department of Justice, which is very large indeed. I certainly will support the measure.

Hon. Mr. Crerar: Can the honourable senator from Hastings-Frontenac inform the house what salaries will be attached to these positions? Will there be an increase in the salaries of the two gentlemen who are to be dignified with the new title?

Hon. Mr. White: I am advised there will be no change in the present salaries. As the honourable gentleman knows, these salaries are in the discretion of the Governor in Council.

Hon. Mr. Crerar: I am aware of that.

Hon. Mr. White: I am advised there will be no change. It is an additional honour that is being given to these two gentlemen. I would point out to the honourable Leader of the Opposition (Hon. Mr. Macdonald) that the bill does state what the duties of the two Associate Deputy Ministers of Justice will be.

Hon. Mr. Macdonald: In a very general way.

Hon. Mr. White: Yes; but, as the honourable senator knows, the duties of a deputy minister are not specifically defined anywhere.

If the bill is given second reading, I will move that it be referred to committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, bill referred to Standing Committee on Banking and Commerce.

PRIVATE BILL

EASTERN TELEPHONE AND TELEGRAPH COMPANY—SECOND READING

Hon. Gordon B. Isnor moved the second reading of Bill S-21, respecting Eastern Telephone and Telegraph Company.

He said: Honourable senators, this bill is very simple and I will make my remarks as brief as possible at this late hour. It may be recalled that on March 23, 1954, I sponsored a bill to amend the act of incorporation of the Eastern Telephone and Telegraph Company, which act was passed in 1917. At that time I gave the background and details as to the company's operations, and explained that the authorized capital stock of the company at the date of incorporation was $10 million, divided into shares of $100 each. As a result of the war the company became more or less inactive for a number of years, and its capital was reduced to $75,000. In 1954 a bill was introduced to increase the capital in the amount of $5 million because of a contract which had been entered into for the laying of 2,200 miles of submarine cable from Clarenville, Newfoundland to Oban, Scotland. As many honourable senators know, it was a highly successful venture. If I recall correctly, the four parties to the contract were the United Kingdom, the United States, Canada Overseas Communications and Eastern Telephone and Telegraph Company along with its parent company, American Telegraph and Telephone Company. A submarine cable consisting of 32 lines was laid. It was put into operation about two years later and has been in operation ever since.

This request for another increase in capital is made on account of a contract of a somewhat similar nature entered into in 1957 by the French Republic, the Federal Republic of Germany, the American Telephone and Telegraph Company and the Eastern Telephone and Telegraph Company. Under this contract there have been constructed or at present are being constructed telegraph communications, submarine cables, from Nova Scotia to Newfoundland and from New foundland to the United Kingdom. The amount already spent on that project is approximately $3 million. The cost of materials and equipment used at Sydney, Nova Scotia, and in Newfoundland amounts to roughly another $1 million. The work has not yet been completed because of the need for funds to carry out the terms of the contract, and the company is asking that its capital be increased from $5 million to $10 million.

The head office of Eastern Telephone and Telegraph Company is at Halifax, Nova Scotia. That is why I have the honour of presenting this bill. All the employees of the company are Canadians. The Eastern Telephone and Telegraph Company has a board of nine directors, five of whom are Canadians. If I recall correctly, representatives from the Maritime Telephone and Telegraph Company, Halifax, have a representative director on that board, and the New Brunswick Telephone Company, with whom my honourable friend from Northumberland-Miramichi (Hon. Mr. Burchill) is associated, is also represented on the board.

Honourable senators, I think that is all I need to say in connection with this trans-Atlantic cable construction and the contract which was entered into on September 30, 1957.

Material and equipment cost in the neighbourhood of $1 million and was purchased in the United Kingdom.

My friends in Newfoundland, of course, are well aware of the work being carried on by this company, particularly in regard to a tunnel from Clarenville, Newfoundland, to Terrenceville, a distance of about 25 miles, if I remember rightly, on the northeast coast of the island.

If this bill receives second reading, I shall propose that it be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Taylor (Westmorland): I should like to ask the honourable member a question or two. I notice that in 1953-54 the capital stock of the company was increased from $75,000 to $5 million, which is a terrific increase in the capital stock, in view of the fact that the original capital stock of $10 million was later reduced to $75,000. Is the $5 million increase that is asked for the amount that was required to pay the company's share of the trans-Atlantic telegraph and telephone system?

Hon. Mr. Isnor: I thought I made that fairly clear, but perhaps not to the satisfaction of the honourable senator. I will try to do a little better. I said that in 1917 the original capital stock was $10 million, and that the company became inactive and carried on for a number of years in a more or less dormant condition. Then it required capital to carry out the terms of the first contract which I mentioned, and that used up the full amount of the $5 million which had been requested in 1954. Now the company has a somewhat similar contract, under which the construction costs will be in the vicinity of $4 million to $5 million.

Hon. Mr. Roebuck: I would like to ask a question of the sponsor of the bill (Hon. Mr. Isnor). Section 1 says, in part:

—the capital stock of the company shall be ten million dollars divided into shares of one hundred dollars each, which may be issued in whole or in part in such manner as the directors determine—

Well, what is the manner of the issue of the stock? I can understand the part of the section which says "may be issued in whole or in part . . . . as the directors determine"; but what privileges are we giving as to the manner of issue of the stock? I do not know what "in such manner" means.

Hon. Mr. Brunt: It means that the issue is partly paid up. Some companies do that.

Hon. Mr. Isnor: Perhaps the honourable senator from Hanover (Hon. Mr. Brunt), who is a lawyer, will help me to give an answer?

Hon. Mr. Brunt: Some companies issue all their stock as fully paid-up stock; some issue it as partly paid up; and still others have stock issued that is fully paid up and partly paid up. I think that is one reason why that wording is in the bill.

Hon. Mr. Isnor: I would think so. Perhaps also, since there is an outstanding liability of roughly $4 million, the company will have to secure that amount in the form of an issuance of stock. However, a detail of that kind can be better answered by the legal authority who will represent the company when the bill is being considered in committee.

Hon. Mr. Roebuck: In that event, I should think the bill could be better drawn. If it is intended that the stock be issued at such consideration as the directors may determine, I think that is the way it should be expressed. If there are to be other manners of issuing, I would like to know what they are. When we are asked to pass a bill, what we are talking about should be defined. It might be almost anything.

Hon. Mr. Brunt: The stock could be fully registered or bearer stock. Some companies have bearer stock with coupons attached to it, as well as registered stock. That is another manner of issue.

Hon. Mr. Isnor: I think that is a detail which could very well be determined in committee. We dealt with the British Columbia Telephone bill in committee this morning and had a very very fine discussion on it.

Hon. Mr. Farris: I will say so.

Hon. Mr. Isnor: The information we got was enlightening, especially in regard to the interpretation of one clause. Perhaps similar questioning will take place at the committee meeting at which this bill is considered.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Isnor, bill referred to Standing Committee on Transport and Communications.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce, Nos. 218 to 236, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

INTERNAL ECONOMY

REPORTS OF COMMITTEE APPROVED AND ADOPTED

The Senate proceeded to consideration of the first, second and third reports of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. William R. Brunt, Chairman of the Committee, moved that the first report be approved.

Hon. Mr. Roebuck: Will the honourable senator explain? We had no explanation when these reports were brought in.

Hon. Mr. Brunt: Honourable senators, the report is printed in *Minutes of the Proceedings* of the Senate on page 227. There it is set out in detail, and I do not see that there is anything more I can add that will be helpful. The report simply recommends changes in the salary scale for the Speaker's steward. It sets out the present salary, starting at $3,720 with a maximum of $4,170; and pursuant to the report of the Civil Service Commission the minimum will now be $4,050 and the maximum $4,500.

Hon. Mr. Crerar: Could my honourable friend tell the house when the last change was made in the salary of this official?

Hon. Mr. Brunt: I am sorry I cannot give you that information. I presume changes have been made in the past but I have no information on that particular point, and there is nothing in the report of the Civil Service Commission regarding it.

Hon. Gordon B. Isnor: Honourable senators, I think it is fair to say that this report was made by the committee a year ago in connection with this matter; and, if you recall, I asked a question as to the date of the report, and the honourable Leader of the Government (Hon. Mr. Aseltine) at the time

could not give me the date. It transpired later that it was February of 1959, and it has been more or less held up by the Civil Service Commission since that time.

Hon. Mr. Macdonald: By whom did you say the report was held up?

Hon. Mr. Isnor: I do not wish to blame the cabinet—that is the last thought I had in mind. But it was first held up by the Civil Service Commission from February to July. Then it was sent to the Governor in Council, through the Minister of Finance, and he in turn, if I remember rightly, held it until the opening of this session, when it was returned to the Treasury Board, which sent it for action to the Clerk of the Senate.

Hon. Mr. Aseltine: Because Parliament was then sitting.

Hon. Mr. Isnor: Yes. It was referred to the Committee on Internal Economy and Contingent Accounts, and it is that committee's report we have before us today.

Hon. T. A. Crerar: Honourable senators, I think it is rather important to know when the steward's present range of salary, $3,720, to $4,170, was established. Was it three years ago, five years ago or twenty-five years ago? It is rather important to have that information. If it were established only a year or two ago, for instance, that fact might affect the judgment of some of us as to the wisdom of the rather substantial increase, where the minimum goes from $3,720 to $4,050 and the maximum from $4,170 to $4,500. I am not opposing the increase, but I would like to know when the last range was established.

Hon. Mr. Brunt: Honourable senators, I am advised that what this report actually does is to bring the salary of the Speaker's steward in line with the salaries of other people in the Government service who are performing services that are considered equivalent to those of the Speaker's steward. But nowhere in the report is there anything as to when the last increase was given to the Speaker's steward. If honourable senators so desire, I am willing to have the matter stand until I can obtain that information for the house; or if the report is approved I will undertake to see that the honourable senator from Churchill (Hon. Mr. Crerar) gets the information. I am entirely in the hands of the senators.

Hon. Mr. Crerar: I presume that my honourable friend has not before him the information as to the other officials with whom the comparison is made?

Hon. Mr. Brunt: No.

Hon. Mr. Crerar: He stated a moment ago that this proposed increase is to bring the steward's remuneration to something like a comparable basis with that of other officials whose duties, I presume, are somewhat similar. All I am saying is that I think it would be useful to the house to have a little fuller information, with respect to not only the position of Speaker's steward, but the position of Assistant Postmaster, dealt with in the next report. Let me say again, I am not opposing the recommendation, but I do think we should have additional information.

Hon. Mr. Brunt: Honourable senators, I understand the salary of the Speaker's steward in the House of Commons has been brought up to this new salary scale, which we now propose to adopt for the Speaker's steward in the Senate.

Hon. Mr. Crerar: Are we bringing the remuneration of our steward up to the remuneration of the steward in the other house?

Hon. Mr. Brunt: Exactly.

Hon. Mr. Crerar: I understand you said a moment ago that the steward of the other house was being brought up to this new scale. I presume you meant the opposite?

Hon. Mr. Brunt: The salary of the steward in the Senate is being brought up to that of the other house.

Hon. Mr. Macdonald: Are the two salaries going up together?

Hon. Mr. Brunt: They are both going up together.

Hon. Mr. Isnor: There is an increase for both.

Hon. Arthur W. Roebuck: Honourable senators, I think we ought to have more information. I am not opposing the recommendation, because from a glance at the figures it would appear that it has been too long delayed. However, I think when the Senate is asked to increase the salary of one of its employees we should know whose salary we are increasing. So far the name has not been mentioned. We should know what the Speaker's steward does, how long he has been employed in that position, and such other things as a careful employer would want to know about an employee before changing his salary rate. It may be that we should send the steward some compliments and perhaps a bouquet of roses.

Hon. Mr. Farris: Perhaps we might raise the proposed scale a little more.

Hon. Mr. Roebuck: Perhaps we could do that.

It is not to be considered for a moment that I am opposing this recommendation, but I do think we should hear the whole story. I suggest that we let the matter stand until a later time so that we may get the information.

Hon. Mr. Brunt: All I ask is that every honourable senator who has a question to ask put it on the record so that I shall be in a position to answer it. I cannot anticipate all the questions honourable senators may wish to ask, and unless they are put on the record I shall not be able to obtain all the information desired.

Hon. Mr. Roebuck: You ought to know all about the report before you ask us to act on it.

Hon. Mr. Brunt: I just cannot have all the information at my fingertips; and if honourable senators do not put their questions on the record, the next time the report comes up I shall be faced with questions that I cannot answer.

Hon. Thomas Reid: Honourable senators, I would like to put a question on the record. I note that the present scale of salary for the Speaker's steward starts at $3,720, and it would be four years before he reached a salary of $4,170. Under the new scale the starting salary is $4,050, and in the second year it goes to $4,200. I would like to know why the scale has been so changed that the steward's pay would go up to $4,500 in less than two years from now.

Hon. W. Ross Macdonald: Honourable senators, I attended the meeting of the Internal Economy and Contingent Accounts committee at which this question was considered very fully. There was present at the meeting the Clerk of the Senate, who is in very close touch with the various employees of this house and what they are doing; he also has a very good knowledge of how their work compares with that of employees in similar positions in other branches of Parliament.

Hon. Mr. Reid: But they work twelve months a year; this man works only six months.

Hon. Mr. Macdonald: That may be so. What I am saying is, the Clerk of the Senate knows what this employee is doing and how his duties compare to with those of employees in other Government offices in Ottawa, and in fact throughout the country.

The question before us is that of increasing the salary of the Speaker's steward over the next four or five years by $330. He is now getting a maximum of $4,170, and his rate when he reaches the top of this proposed scale will be $4,500, an increase of $330. That is all the house is asked to approve.

When one thinks of the spending of billions of dollars of public funds which we approve, some of which we will probably pass within the next two weeks, in not much longer time than we are taking to consider this increase of $330, it does seem to me we are giving somewhat undue importance to the item.

I think it is proper for all honourable senators to inquire about every last dollar being spent by the Government, but I would remind honourable senators that this house has appointed a committee composed of some 25 members who have been instructed by the house to look after the internal affairs of the house, subject of course to our approval. I do think that honourable senators, instead of taking the time of the house to discuss the question of an increase of $330 over a period of four or five years, might do better to attend the meetings of the Internal Economy and Contingent Accounts committee where they could get all the information and details from the Clerk of the Senate. I express that as my personal opinion only, and of course everybody is entitled to his opinion.

Hon. Mr. Roebuck: I stand reproached.

Hon. Mr. Macdonald: I do not want any honourable senator to think he stands reproached. I am saying that I think it would be better to ask these questions in the committee meeting.

Hon. Mr. Roebuck: My only protest was that we did not have a satisfactory explanation. It matters not whether the expenditure is $1 or $1 million, we are entitled to an explanation, and a comprehensive one. We got more information from the remarks of the Leader of the Opposition on this matter than we did from the sponsor of the report.

Hon. Mr. Brunt: Honourable senators, I have certain additional information, if you wish to hear it. I propose to read the report dated February 25, 1959 made to the Civil Service Commission:

> The Clerk of the House of Commons and the Clerk of the Senate have requested the Civil Service Commission to review the class Speaker's Steward with a view to an upward revision in the salary range.
>
> At present, there are two positions in this class—one in the House of Commons occupied on a temporary basis by Mr. C. Cleroux, HC-SA-68, and one in the Senate, occupied by a permanent employee, Mr. M. Nadeau, SC-A-24.

I omit the figures of the present and proposed salary scales.

> The Steward is responsible mainly for arranging domestic services required for the proper discharge of the social functions of the Speaker. He

is expected to prepare menus and invitations and to announce the guests at formal dinners and luncheons held by the Speaker and to assist in a junior capacity in the performance of secretarial duties. He also acts as confidential messenger, arranges appointments, deals with mail matters and acts as valet for the Speaker during such hours as may be required. He is frequently required to work unusually long hours.

The duties of both positions in the Senate and the House of Commons are comparable and it is considered that parity in the rate of compensation should be maintained.

In reviewing these positions, the Organization Branch has given careful consideration to such factors as formal nature of the duties, the hours of attendance of the Speaker, allowance for certain meals and uniforms, etc. Comparison has also been made with other positions in the Federal Service and the Armed Forces and more particularly with the positions of Steward, Prime Minister's Residence ($4,860-$5,310) and Official Car Porter and Steward ($3,780-$4,230).

In the light of all the information obtained, it is considered that the maximum of the class Speaker's Steward should be $4,500. This would place this position at the same level as the Assistant Chief of Protective Service ($4,050-$4,500) and the Assistant Supervisor of Char Service ($4,050-$4,500).

Then it is recommended that the salary range of the class "Speaker's Steward" be revised from the present four figures to the four new figures, effective February 1, 1959.

Hon. Mr. Roebuck: Thank you. We are now in a position to pass it.

Hon. Mr. Crerar: I must say that that is a rather impressive argument. I have just one question to ask: Has the Speaker's steward any duties when Parliament is in recess, which is usually for five or six months of the year?

Hon. Mr. Brunt: Even though Parliament may sit for only five or six months in any year, I understand both the Speaker of the Senate and the Speaker of the other place frequently come to Ottawa when both houses are in recess, and the stewards must be available at all times.

Report approved.

SECOND REPORT

Hon. Mr. Brunt moved that the second report be approved.

Hon. Mr. Roebuck: Explain.

Hon. Mr. Brunt: I do not think I can do better than to read a similar report which has been made in connection with this change in salary. It reads as follows:

The Clerk of the Senate has requested a revision in the salary range of the class Assistant Postmaster, Senate, and the promotion of Mr. H. Aubry from Clerk 4, SC-A-59, to Assistant Postmaster, Senate, SC-A-20, effective April 1, 1959.

There is a class Postmaster, Senate, with a salary range of $4,500-$4,650-$4,800-$4,950 and there is a class Assistant Postmaster, Senate, with a salary range the same as that of Clerk 4, namely $3,570-$3,720-$3,870-$4,020. There are also two permanent positions of Clerk 4 on the establishment of the Senate Post Office.

The position of Postmaster has been vacant for about four years.

A request has now been submitted for the filling of both the positions of Postmaster and Assistant Postmaster. It is considered that the present salary range of the class Postmaster, Senate, is correct in relation to the class Postmaster, House of Commons, $5,130-$5,580, and in relation to other Postmaster positions in the Post Office Department. It is considered also that a classification of Clerk 4 which has a maximum similar to that of Postal Clerk 2 is correct for the employees engaged on sorting incoming and outgoing mail and attending the counter. In view of the fact that the employees are required to work on shifts, it is necessary to have an Assistant Postmaster. A maximum of $4,350 would provide a differential of $330 between the Assistant Postmaster and the Clerks 4 and a differential of $600 between the Postmaster and the Assistant Postmaster. The Organization Branch is of the opinion that this would be the proper rate.

It is therefore recommended that the salary range of the class Assistant Postmaster, Senate, be revised from $3,570-$3,720-$3,870-$4,020 to $3,900-$4,050-$4,200-$4,350, effective April 1, 1959.

Hon. Mr. Reid: How many postmasters are there in the post office of the Senate?

Hon. Mr. Brunt: One.

Hon. Mr. Reid: How many employees are there looking after the mail?

Hon. Mr. Brunt: I do not know exactly how many there are. However, I believe that there are four in all.

Hon. Austin C. Taylor (Westmorland): Honourable senators, we have heard an explanation of the duties of the Speaker's Steward. I note that the maximum salary of the Assistant Postmaster is below that of the Speaker's Steward. I am not familiar with the responsibilities and duties of the Assistant Postmaster, but it appears to me on the surface that it is a full-time job. The Assistant Postmaster is working twelve months of the year. It is also my opinion that the responsibility of the Assistant Postmaster is considerable, and the salary seems to me to be out of line with it. I certainly have no objection to the recommendation, but it seems to me that the responsibility of an Assistant Postmaster is such as to warrant the paying of a salary equal at least to that of the Speaker's steward.

Hon. Mr. Roebuck: Honourable senators, I thank the honourable senator (Hon. Mr. Brunt) for his explanation, and I would like to say that my experience with our post office has been very satisfactory. I have found the officials there courteous, pleasant and very attentive to their work. They keep a record of where we all are during the recesses, and they send our mail forward. They do their work well. I am rather inclined to agree with the honourable senator from Westmorland (Hon. Mr. Taylor) in his observations. I think

this may well be reviewed once more in view of the very satisfactory service which these gentlemen are giving us.

Hon. Mr. Crerar: Honourable senators, I simply wish to support what has been said by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I have had nothing but courteous and efficient treatment from the officials of the Senate post office. Never have I had cause for complaint. I am not for a moment criticizing this proposed increase, but I do think there is something to the point raised by our honourable colleague from Westmorland (Hon. Mr. Taylor) as to the relationship between the salary of the Speaker's steward and that of the assistant postmaster.

Hon. Mr. Brunt: Honourable senators, I can only say that there is just one Speaker's steward. If his services are required for twelve hours a day, then he must work twelve hours a day. As I understand it, all the Senate post office employees work on a regular shift basis. They have definite, set hours. In addition to that, we are guided by reports prepared by the Civil Service Commission. I consider that the persons who prepare these reports are, if I may use the word, experts in determining salaries for Government employees. They do this work for twelve months a year and when they make a recommendation I for one feel inclined to accept it, even though, as in this case, it might appear that one employee is underpaid as compared to another.

Hon. Mr. Farris: Honourable senators, I am not competent to pass judgment in this matter but I would say that when the Clerk of this house is on the job and something is recommended, I will support it.

Hon. Mr. Roebuck: So will I. What we have said has not been in opposition to this increase. Let us accept it. It may be that what I and others have said on this occasion will benefit these other gentlemen in years to come.

Hon. Mr. Brunt: I can only say that in future I will try to do better when presenting these reports.

Report approved.

THIRD REPORT

Hon. Mr. Brunt moved that the third report be adopted.

He said: Honourable senators, the committee recommends that William B. West, chief repairman, be retired on January 1, 1960, and be granted an allowance under the provisions of the Public Service Superannuation Act, and that Mr. West be granted, in lieu of five months' retiring leave with pay, a gratuity equal to the difference between five months' salary and annuity for that period.

I cannot give the figure, as I understand the annuity has not been worked out as yet, but I would estimate it to be somewhere between $600 and $800.

Hon. Mr. Reid: Honourable senators, I just want to make one comment regarding this item. I want to eulogize this employee. In my experience since coming to Parliament he has proven to be one of the most willing and capable employees doing this work.

Hon. Mr. Roebuck: I would join with the honourable gentleman from New Westminster (Hon. Mr. Reid) in his remarks, and I extend to Mr. West my best wishes for the years to come. He has been capable, willing and industrious. His courteous and satisfactory service has been appreciated by others as well as by me. I wish him well.

Hon. Mr. Higgins: I agree with the comments that have just been made. I had some work done by Mr. West and I found him to be a most capable cabinet maker and a most affable gentleman. His services were always reliable. I understand that a good man has taken his place.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

On the Order:

Resuming the adjourned debate on the motion of the Honourable Senator Roebuck, seconded by the Honourable Senator Croll, for adoption of the Reports 205 to 217, both inclusive, from the Standing Committee on Divorce.—(Honourable Senator Pouliot).

Hon. Arthur W. Roebuck: The honourable senator from De la Durantaye (Hon. Mr. Pouliot) requested me to inform the house that earlier today, when speaking to the third item on the Order Paper, for the third reading of certain divorce bills, he made the remarks he had intended to make on the motion now before the house. As our honourable colleague has nothing further to say with respect to this motion, I would presume that reports Nos. 205 to 217 may now be adopted.

Reports adopted.

The Senate adjourned until Tuesday, March 1, at 8 p.m.

THE SENATE

Tuesday, March 1, 1960

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

Prayers.

THE ROYAL FAMILY

BIRTH OF PRINCE—MESSAGE FROM COMMONS

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

Resolved: That this house do concur in the Address of the Senate to His Excellency the Governor General, respectfully requesting that His Excellency may be pleased to transmit the Joint Address to Her Most Excellent Majesty the Queen offering congratulations on the birth of a Prince, by inserting in the first line of the Address from the Senate the words, "and Commons".

Ordered: That a message be sent to the Senate informing Their Honours that this house doth unite with the Senate in the said Address.

Attest

LÉON J. RAYMOND
Clerk of the House of Commons

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Custodian of Enemy Property for the calendar year 1959, pursuant to section 3 of the Trading with the Enemy (Transitional Powers) Act, Chapter 24 of the Statutes of 1947. (English and French texts).

The Canada Gazette, Part II, Statutory Orders and Regulations 1960, Wednesday, February 24, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report of the Superintendent of Insurance on Loan and Trust Companies for the year ended December 31, 1958, pursuant to section 9 of the Department of Insurance Act, Chapter 70, R.S. 1952.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 237 to 253, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

SUPREME COURT OF CANADA

CASE OF LEWIS D. DUNCAN, Q.C.

Hon. Mr. Aseltine: Honourable senators the following is the answer to the supplementary inquiry by the honourable senator from De la Durantaye (Hon. Mr. Pouliot) which appears at page 234 of the Senate *Hansard,* Thursday, February 25:

The names of the judges of the Supreme Court of Canada who sat and gave judgment in the case of Mr. Lewis D. Duncan, Q.C., are:

The Honourable Patrick Kerwin, Chief Justice; the Honourable Mr. Justice Robert Taschereau, the Honourable Mr. Justice I. C. Rand, the Honourable Mr. Justice R. L. Kellock, the Honourable Mr. Justice J. R. Cartwright, the Honourable Mr. Justice G. Fauteux and the Honourable Mr. Justice D. Abbott.

UNEMPLOYMENT INSURANCE

FISHERMEN'S BENEFITS

Hon. Mr. Aseltine: Honourable senators, the following is the answer to the supplementary inquiry by the honourable senator from Queens-Shelburne (Hon. Mr. Smith) which appears on page 116 of the Senate *Hansard.* Tuesday, February 9, respecting questions Nos. 3 and 5 of the inquiry of which he gave notice on January 28 and which is set out on page 107 of *Hansard,* Thursday, February 4:

No specific standards as to the size of a vessel are laid down for establishing whether it is a year-round vessel but the determining factors such as size of crew, continuity of operations and so on are usually present in respect to the larger boats.

Any week in which a fisherman earns less than one-half of his weekly benefit rate he is paid benefit in full. If in any week he earns in excess of one-half of his weekly benefit rate, his benefit for that week is reduced by such excess. Thus, if a claimant's weekly rate of benefit were $30 and he earned $10, he would still receive $30 benefit. If, however, his earnings were $20, he would receive only $25 benefit—the $5 earnings in excess of half his weekly benefit rate being deducted from the regular $30.

IMMIGRATION

DR. CHUNG WOOK KIM—INQUIRY AS TO DEPORTATION

Hon. Cairine R. Wilson: Honourable senators, I would like to ask the honourable Leader of the Government (Hon. Mr. Aseltine) if he is able to give any additional information regarding Dr. Chung Wook Kim, the Korean doctor of Vancouver, who was to be deported.

Hon. Mr. Aseltine: I have no information with regard to this gentleman at all. I will endeavour to obtain it, and if I am successful I will inform the honourable senator.

BILL OF RIGHTS

NOTICE OF MOTION

Hon. Jean-François Pouliot: Honourable senators, the other day the honourable Leader of the Government (Hon. Mr. Aseltine) suggested, as reported at page 216 of *Hansard,* that I should be more specific in my question

about the Bill of Rights which is referred to in the Speech from the Throne. There is nothing nicer than to spread happiness around oneself, and in compliance with the suggestion of the honourable gentleman (Hon. Mr. Aseltine) may I be permitted to change my notice of inquiry into a notice of motion for Wednesday, March 9, as follows:

That there are correlative obligations and responsibilities to the Canadian Bill of Rights referred to in the Speech from the Throne of this session.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-196, for the relief of David Byrne Kieran.

Bill SD-197, for the relief of Nina Finkelstein Anshell.

Bill SD-198, for the relief of Joseph Leo Roger Latendresse.

Bill SD-199, for the relief of Norma Rosalie Parsons Turgeon.

Bill SD-200, for the relief of Maria Reichinger Lehnen.

Bill SD-201, for the relief of Marie Cecile Leda Vezeau Leger. (Annulment).

Bill SD-202, for the relief of Rose Mary Dubeau Pietrinferno.

Bill SD-203, for the relief of Daniel Edward Napasney.

Bill SD-204, for the relief of Pauline Mary Ann Irene Patry Gaudreau.

Bill SD-205, for the relief of Rose Ella Katherelos Parry.

Bill SD-206, for the relief of Gwendolyn Marion Mizener Nassif.

Bill SD-207, for the relief of Joseph Ernest Coutu.

Bill SD-208, for the relief of Joseph Henri Berube.

Bill SD-209, for the relief of Maria Hocheder Weber.

Bill SD-210, for the relief of Sherrill Orddige Glandsdorp.

Bill SD-211, for the relief of Bronislaw Kulawik.

Bill SD-212, for the relief of Pauline Sornin Barrett.

Bill SD-213, for the relief of Sandra Maxine Shoore Sheydwasser.

Bill SD-214, for the relief of Margaret Maclaren Harris.

Bill SD-215, for the relief of Irmgard Poikonen Horvath.

Bill SD-216, for the relief of Estelle Labelle Baxter Robertson.

Bill SD-217, for the relief of Alphonse Yared.

Bill SD-218, for the relief of Andre Lamothe.

Bill SD-219, for the relief of Rita Hamel Labranche.

Bill SD-220, for the relief of Lionel Boucher.

Bill SD-221, for the relief of Eliza Boudreau Filion.

Bill SD-222, for the relief of William Leslie Baillie.

Bill SD-223, for the relief of Pauline Handji Edelstein.

Bill SD-224, for the relief of Molly Brenda Stein Butterman.

Bill SD-225, for the relief of Laurette Biron Valade.

Bills read first time.

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

Hon. Mr. Roebuck moved with leave that these bills be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

PRIVATE BILL

BRITISH COLUMBIA TELEPHONE COMPANY—THIRD READING

Hon. Mr. McKeen, for Hon. Mr. Farris, moved the third reading of Bill S-20, respecting British Columbia Telephone Company.

Motion agreed to and bill read third time and passed.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, February 25, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

(Translation):

Hon. Calixte F. Savoie: Honourable senators, allow me, before dealing with a subject that is very near to my heart, to join with previous speakers in this debate in extending my warmest congratulations to the mover and seconder of the address in reply to the Speech from the Throne, the honourable senator from Rougemont (Hon. Mr. Courtemanche) and the honourable senator from Colchester-Hants (Hon. Mr. Blois).

Those two honourable senators have assuredly discharged their duty with a great deal of tact and ability.

In extending, in my turn, the heartiest and most fraternal welcome to the three recently appointed senators who have joined us, I remember the warm welcome and hospitality shown to me when I first came to the Senate, in January 1956. I am deeply moved when I remember all those acts of kindness and courtesy, and I sincerely wish that the three new senators will find in this house all the happiness, brotherly feeling and satisfaction that I have found here myself. I do not doubt that our new colleagues, with their wide knowledge and experience, will make a most valuable contribution to this house.

In recent years we have heard a great deal of talk about education, and many people are engaged in making a careful study of our educational system, in closely examining curricula and in submitting proposals for the substantial improvement of our present educational system, which has been so much in the news in recent years. Since education is everybody's concern, it goes without saying that, at a time when the study of educational problems gives rise to so much discussion, we must have sound ideas on education to be able to enlighten and guide those entrusted with the education of the youth of this country. It is therefore essential to take our bearing so that we may know where we are going and what we are striving for.

(Text):

Honourable senators, if I have chosen to speak on the important topic of education, it is not because I think I have the qualifications to do so. The only qualification that I have in this respect is the fact that I am the father of a family of eleven children whose education had to be attended to, that I have taught school in the public schools of my native province of New Brunswick for some fourteen years and that I have always been keenly interested in the great cause of education. I sincerely believe that the spirit of a people is condensed in the system of education that it has; and, by system of education, I do not mean the methods, the curricula of studies and the internal mechanism of the school, for those elements are subordinate to the true ideal of education. What really counts are the purposes and ideals of our educational system about which so much has been said in recent years.

It is not an essay that I propose to present to you on such an important and serious topic, but rather an informal discourse exposing my views on education, about which it is the duty of all of us to be much concerned.

Education, in recent years, has been the subject of so much discussion that, at times, we are tempted to ask if our minds are not somewhat blurred in the conception we have of education. It may so happen that the highest aims and ideals of education can be thwarted through misconception, apathy, indifference, irresponsibility, ignorance and what not. Every Canadian mindful of his duty and responsibility in the field of education must contribute his share to such a worthy cause by suggesting, appraising, criticizing and bringing forth facts to improve our present Canadian systems of education.

The last half century has witnessed two world conflicts in which millions of lives have been sacrificed for the cause of world peace and human freedom, but we are still longing for that lasting peace and that human freedom. In the troubled world of today, when we are engaged in a cold war for the conquest of the minds and souls of men, what line of defence and what lines of attack can be established to win this cold war of ideas? What role can education play in this gigantic struggle?

In 1957 Khrushchev said:

> The communists will destroy capitalism, not with nuclear weapons but through the spread of the ideology. We are as sure of this as we are sure that the sun will rise tomorrow.

Just a few months ago he said:

> The choice for America is war or co-existence and that communism will sooner or later rule the world.

On the other hand, less than a year ago Admiral William H. Stanley, former United States Chief of Naval Operations and Ambassador to Moscow, declared:

> The choice for America is moral rearmament or communism.

We are therefore opposite two ideologies bidding for the conquest of the world: communism and Christian democracy. The superior ideology, Christian democracy, will win, provided that we dedicate ourselves to it, that we live it generously and passionately as individuals, as groups and as a nation.

To understand fully the extent and the strength of these ideologies it is necessary to resort to education. Educators have it in their power to mould our future, asserted Dr. Penfield, Conference Chairman of the Canadian Conference on Education that met in Ottawa two years ago. That being true, education must be a powerful force that can operate miracles, provided it is properly organized, well understood and generously accepted.

Never before have people so deeply concerned themselves with the criteria of education on all levels, commencing at the primary and secondary schools and carrying through

to the university and other institutions of higher learning. It is true that the various exploits of the Russians in the space age have aroused us out of our complacency and have thrown the Western world into a state of uneasiness and at least of temporary confusion. But before those exploits were accomplished, educators and those entrusted with the security of the Canadian nation in all parts of Canada began to question the very basis of our educational systems and to ask themselves whether the steps taken thus far and whether the basic principles of that education are indeed the right ones. In fact, leaders of industry and heads of corporations who had previously interested themselves in education only as it represented for them a future source of labour, now have begun to ask themselves, and rightly, how they might in their own way foster and encourage education. For they have come to realize, as have other leaders of our national destiny, that all these great natural resources of our nation are of little value unless we produce the engineers, the scientists and the technicians to convert these raw materials into a form readily available to meet the ever-increasing needs of our Canadian economy. And those of our leaders who are even more directly concerned with education, and leaders of public opinion, included among whom are newspaper editors and moulders of our political and national life, got it thoroughly in their minds that education is not simply a matter of feeding the mind with uncorrelated data and abstruse theories, but that education concerns itself with the formation of all the higher faculties of man's nature. The public itself fortunately now realizes, as never before, that education cannot be divorced, except with great danger to the full development of the human personality, from the great spiritual and moral values which have constituted the true greatness of our past heritage and of the individuals that made it possible.

The advent of all the Russian scientific achievements has already served a significant purpose for it has succeeded, as perhaps little else could, in focusing the attention of all thinking Canadians on the urgent need for reassessing the value of our educational systems and in underlining the vital importance of thorough and accurate training on the part of our youth. The public today is demanding a return to the fundamental principles on which our culture, our common faiths and our democratic ideals were originally founded. Nor, as repeated by various educators, does this mean the innovation of new ideas, nor a finding of new definitions, new theories or new principles. It consists rather in redefining the old, recasting them slightly to meet the altered needs of society. Mr. Kurt Swinton, Conference Committee Chairman of the Canadian Conference on Education, pointed out:

> The aims and purposes of education and perhaps even of Canadian society must be redefined.

And as an editorial on education has emphasized:

> Too much attention has been paid to the immediate results rather than establishing a set of objectives for its population as a whole.

What is then required is a re-evaluation of the basic principles on which our schools were originally founded to ensure that our youth are firmly educated in the eternal and spiritual values which have constituted the basis of education in every age and which, even today, when taught by qualified educators on all levels of education, are sufficient to meet the challenge of the modern world of space concept and flying missiles. To repeat, Canada's vast forests, her extensive mineral resources, her mighty turbines for the creation of electrical power, are all useless and without value unless there arises a generation of young Canadians well and thoroughly trained in how to utilize these resources for the good of industry and the nation. These resources are worse than useless if, through omitting the real and eternal values in education, we lose the battle of ideas to an atheistic and materialistic philosophy.

We are in the midst of a gigantic struggle, and it is to the youth of the world that the present leaders must look for the solution of the great problems that lie ahead. The weapons and the tools in the forthcoming struggle will be different from those of the past, for the prize of tomorrow's great struggle is not geographic terrain nor economic profit. The youth of all democratic nations have a most important role to play in the great struggle now being waged between the opposing ideologies of democracy and communism. In the final analysis, it is in the idealistic minds of youth that the final battle in this great struggle will be fought and won. It is therefore of primary importance that our Canadian youth, our Canadian boys and girls, be properly trained and well prepared to meet the challenge of the communist world. Where and by whom shall they be prepared and trained? The answer is simple: the educational institutions at all levels—family, primary and secondary schools, colleges and universities.

Education, as we all know, is primarily based on a philosophy of life. Let me quote a great French educator, Dehovre:

> Education is for a race or a nation the only means of self-preservation. It is the agency by which it conserves its past accomplishments, renews its spiritual life and transmits to its youth the heritage of ideals and institutions. In other words, the ideals of education are the ideals of a race and culture.

Man is made up of two substances, one is material and the other is spiritual. The work of education is to consecrate itself to both the spiritual and the material. To work on one at the expense of the other would only show deep ignorance or neglect of what the integral education of a child of God should be. Someone has wisely said that "evil is due to ignorance and can be cured by education". We can add to this another truth, that "ignorance breeds evil".

The important agent in education is the child. Unable to provide for himself, he is entitled to physical, intellectual, moral and spiritual education. It is through physical education that the child will develop physically; it is by intellectual education that his intelligence will be developed and cultivated; it is through moral education that his character will be moulded, that his will shall be strong, firm and just; it is through religious and sentimental education that his heart will learn to be good, kind, compassionate and to love. In a word, it is by education that the child will become a man of duty, a man of character, a man of heart, a man of wisdom, a man of action. It is through civic education and training that the child will grow up in the love of his country, in a true and Christian love that will not degenerate into narrow nationalism. The words of Sir Richard Livingstone are of particular importance today. Like many others before and after him, he cites the great need of reinstating the moral and spiritual values in our education:

> The efficiency of a community will depend on its technical and vocational education. But the quality of its civilization depends on something else. It depends on its standards, its sense of values, its idea of what is first and what is not. Our knowledge of the sciences, natural or social, fixes the limits of the course within which the yachts on which humanity must sail but does not indicate the goal of their voyage still less supply the wind to fill the sails.

As the education of the child begins at birth and continues throughout his entire life, the first education that he receives and the one that leaves indelible impressions takes place in the home. The family is the fundamental unit of society. It is its very life blood. Not only is the family the first agency in education, but it is also the most important and the most effective of all formative agencies because it is the source of all education and without it higher education will be incomplete.

During the last few decades, many events have imparted to minds and to morality a new turn. The family, unfortunately, could not easily avoid the danger of being contaminated. There are ills that corrode the family and its slow decay spells also the gradual corrosion of society itself. The problem in our modern home is that it is losing sight of the true values that constituted its greatness in the past and ignoring the sense of what it is in reality and what it should always be.

H. R. Matthews, in discussing "the role of the home in education", says:

> What is our role in the home or family area with reference to the formal education of our children? The home should provide an atmosphere in which the basic needs of the child can be satisfied. What kind of a home fulfils these conditions? The answer is simple—a happy home. The happy and contented mother with no knowledge of psychology, who loves her children, is a much better parent than an unhappy and discontented mother with a Ph.D. in child development.

The basic principle in the home is love; first, love of God and then mutual love between husband and wife, mutual love between children, father and mother. A home will be happy if there is love, and where there is love there is sacrifice. It is "by the law of sacrifice that love is revealed". There cannot be sacrifice without faith in God and without religious teaching.

No one can ever replace the parents, especially the mother, in the education of the child. The mother, the real mother, is by nature a great educator; she dreams great dreams for her children. Her maternal instincts, her motherly love, devotion and self denial imprint into the heart and mind of the child lasting impressions that will be a determining force throughout his entire life.

The mother's place is at home. How many mothers, however, do not understand it and, without being compelled by economic reasons, seek positions outside the home? What about their children? Well, those who can afford it place them in day nurseries. But basically every child needs his mother, and the care and proficiency of those who look after them cannot make up for the motherly affection and care, the formation of the heart and of the mind that only a mother can give.

What about the mothers who work because they are compelled to do so for economic reasons? Mrs. Henrietta L. Gordon, Director of Publications and Information of the Child Welfare League of America, who recently gave an address to the Conference on Child Placement at the Windsor Hotel, Montreal, said:

> Some of the mothers who work because they must for economic reasons should be subsidized to stay home.

The shifting of the mother from the home to factories, stores, etc., is one of the main ills that corrode our modern society because it attacks and weakens the very unit of that society—the family.

But there is another evil which is greater than the one just described, and that is the breaking up of homes through divorces. The last fifteen years have seen a disheartening increase in the number of divorces granted in Canada. From 1944 to 1958, inclusive, over 90,000 divorces have been granted; to be exact, 91,271, as compared with 25,955 during the previous fifteen years, 1929 to 1943 inclusive, an increase of about 250 per cent. These figures demonstrate not only a weakening in the fabric of the institution of the family but they point to the moral deterioration of people who should be parents with a sense of their high calling. How many children were affected by these thousands of broken homes and what became of them? I attempted to find out the exact number of children affected by these dissolutions of marriages and what became of them, but I was told by the Dominion Bureau of Statistics that there was no available information thereon. That is very unfortunate indeed! If we only knew what has been the fate of those unfortunate children we might change our minds about divorce. Let me quote a Canadian teacher on this point:

> Children from these broken homes are thrown on their own resources and find in the gang the security lacking at home and become proud of the title of "juvenile delinquent".

This situation is really depressing and what has been said reveals that the family is disintegrating; and, as the family is the life blood of society, that disintegration spells also the disintegration of the Canadian nation. These are indications that something is definitely wrong and that our Canada is beginning to decay from within. In 1928 there were 75,772 marriages and 790 divorces, the rate being then one divorce for every 96 marriages; but in 1958, thirty years later, there were 130,523 marriages and 6,211 divorces the rate being therefore a divorce for 21 marriages, an increase of over 350%. If the divorce rate is to continue to rise, and the indications are that it will, the decay of the family will ultimately bring about the decay of our people as a nation. Let us not forget that the family is the barometer of a nation, and that it is in the home that the nation is decided. What happens in the home now and tomorrow will some day, perhaps sooner than we expect, happen in our Government. As we behave in the home, so shall the nation behave.

If I stress the importance of family education, it is because I am deeply convinced that it plays a very important part in the building up of a nation. The family is the training school for democratic and Christian life but only on condition that family life be not disrupted, that the home be not a school of egotism, of neutralism and of other undesirable and dangerous "isms", that each parent learn to put up with the failings of his or her consort, accept sacrifice for the sake of the children and recognize that his and her most important duty is to surround them with love, respect, dignity and honour and ever keep a firm eye on their religious and moral formation.

Let me quote here Sir Ronald Gould, President of the World Confederation of Organizations of the Teaching Profession:

> You have to remember that the people who live with a child at home also have a very big responsibility for the well-being of the child. You ought to remember that the moral and the intellectual and the physical standards depend to a very great extent upon the home. Indeed, they form a bigger part of the child's education than very many people have ever realized.

If the first factor in the education of the child, the family, plays its role well, the task of the second factor, the school, will be greatly facilitated. The school being the extension of the home, much of what has been said about parents can be applied to the teacher, who receives from the parents a mandate to continue and help to complete the education of the child. We are complaining over and bewailing the failures of our educational systems and I believe we are partly justified in doing so. The public in general is inclined to blame the school, and in turn the school is disposed to throw the blame on the home. Who is right and who is wrong? I am not qualified to answer that question, but I might risk saying that both are wrong in their conception of education. If the home fails to understand its role in the education of the child, as I have tried to explain, and if the school refuses to accept its full responsibility, then something is definitely wrong and, sooner or later, something will snap. If it is the parents' responsibility to look after the moral, religious, physical and intellectual formation of the child, and if the school is really the extension of the home and if the teacher is the mandatory of the parents, then both factors must have the same conception of the enormous task to be accomplished and both must be properly equipped to do the job properly.

It is inconceivable to think that in the home religion must occupy the first place while in the school it has not even the place of a pariah. Are we logical in affirming that the school is the extension of the home and the teacher the mandatory of the parents? If so, we are superlatively illogical in admitting that schools must be neutral in matters of religion. Neutralism is one of those "isms" to which I alluded a while ago; it is an ideology which is as bad as communism

and which certainly disintegrates our so-called modern democracies. To attempt to save the world from utter destruction without religion is Utopian. Neutral education as regards to religion is a meaningless expression, because man being by nature a religious being his education must be religious, otherwise it will not be a human education. A few years ago the Most Reverend George Frederick Kingston, Anglican Archbishop of Nova Scotia and Primate of all Canada, declared:

> A return to religion is a crying need in Canada to stem a growing tide of secularism which is having an insidious influence on our nation. The emphasis on the material at the expense of the spiritual is greatest in Canadian homes and schools which, in many cases, are failing in their obligation to provide a rising generation of young Canadians with a proper appreciation of spiritual values. If educational institutions divorce education from religious influence, they breed a type of robot youth morally untrained to face life.

Let me quote another statement which emanated in 1953 from the National Council of the Churches of Christ in the United States representing some 35 million Christians. I quote from *Life* magazine:

> Our culture is in danger of becoming pagan. To prevent this tragedy, religion must be placed at the very heart of education.

If, thus far, I have said little about the twofold problem that Canada faces today, namely, the quality and quantity of teachers to master the situation, it is because I am of those who believe that, before erecting a structure, one must be sure that it can support the whole weight and even more. Throughout my discourse I have endeavoured to do just that, namely, to lay the foundation of what I believe our Canadian educational structure should be, the very structure where will be moulded the minds of tomorrow. That foundation must be solidly laid with intellectual and material values reinforced with morals, ethics, religion, and human values. That is education in the full sense of the word. Schools and universities must educate and not only instruct, as is generally the case at the present time. In a brief presented two years ago by the Canadian Teachers' Federation the Prime Minister was informed of the inadequacy of many teachers now engaged in that profession. It was stated:

> Many thousands of young Canadians are dependent for their education upon teachers who are immature, relatively uneducated and inadequately trained for the job.

A group of educational experts at a meeting held in Geneva last year reported:

> Education is being devalued in many countries by the employment of a large number of unqualified teachers, by lowering standards for admission and for qualification and, in many cases, people are allowed to teach without training or qualifications.

These specialists in education added that teaching should be considered by leaders in all fields as well as by the public in general as "an investment in the intellectual, moral and material progress of mankind".

Let me quote K. R. Swinton again:

> Canada is spending annually about $1¾ billion on defence and about $1¼ billion on education.

He continues by saying:

> This situation will be the reverse in a few years and Canadian taxpayers must be taught to look on education as a capital investment, not as an expense as most do today.

The teacher is the very soul of the school as the parents are the soul of the home. The duty of both is to mould the child's character and make of him a useful and well educated citizen. That being said, I ask a simple question: Are those who are at present teaching in our halls of learning fully prepared and qualified to undertake the great task that lies before the modern educator? Ten or twenty years ago, before the youth of our nation were asked to concern themselves with various ideologies and scientific developments that now threaten the very bulwark of our Christian and democratic way of life, a teacher was not expected to form minds and character to the same degree as is required today. The situation now requires much more from the modern teacher for he must not only be a leader and a dynamic personality in his own right but, much more important, he must be able to inspire, to fortify and to inculcate in the sceptical minds of modern youth a firm and reasoned belief in Christian and democratic ideals. This is not a task for weaklings or for those who blindly and without question accept the beliefs of others. I repeat that we are in the midst of a great struggle and we are not sure that we can win it. The youth in Russia know what communism is since it is instilled into them from their childhood and the state sees that it is done and that it continues to be done by educators at all levels of education. Unfortunately some of our young people not only ignore the dangers of the communist ideology but they do not know what Christian democracy is. We must awaken to realize that with Sputniks and Luniks wending their circuitous course through the orbit and with the opposing ideologies of democracy and communism struggling to tilt the weight of world opinion and especially to gain the support of the young idealistic minds, it has become a matter of first importance that those in positions of authority and influence shall be able to give clear and positive answers to the questioning minds of the youth. The young men and women of today

require just such answers, and that is the task of the educators at all levels, beginning with the family. We have a tremendous job on our hands and our duty is to find a tangible solution to the great problem of the quantity and the quality of teachers about which I shall say just a few words.

We all agree that the social prestige of the teacher is not what it should be. Would that fact explain why there is a scarcity of teachers and why there are so many unqualified teachers in our schools? If so, are we willing to grant the social prestige that should be accorded to the teacher? Are we also prepared to grant the educator a professional status on a par with the lawyer, the doctor, the engineer, the scientist, *et cetera*? More important, are we willing to assure a salary scale that is proportionate with the ability and the working hours demanded of the conscientious educator? Are we prepared to admit that education is a capital investment and not an expense? If we are to recruit those with a true vocation for teaching, endowed with an intelligent grasp of Christian and democratic ideals and truly capable of transmitting them to others endowed with the natural qualities of determination, self-confidence and moral strength which should be the mark of every teacher, then we must begin to restore to this profession the prestige which it merits. The teaching profession must then be more attractive, more appealing, hence more lucrative. The salaries paid at all levels of education, especially at the higher levels, are definitely too low; they are far below the comparative level of earnings of other professions that are not more important than the profession of educator. As a consequence, the young men who are thinking of embracing the teaching profession are compelled to turn away from that career precisely because of the uncertainty of the future in as far as earnings are concerned. But we need more teachers, more educators. We need better teachers, who must be highly trained and educated, and this demands more money. It might look like a vicious circle, but however vicious it may be it must be destroyed; and the sooner it is broken, the better it will be for our people as a nation.

The only way to solve the twofold problem that Canada faces today, namely, the quality and quantity of teachers needed to master the situation, is, as I have just said, to make the teaching profession more important, more attractive, by making it more lucrative. That is the only practical solution. If that is done, young men and women of superior minds and in larger number will gladly accept teaching as a profession, and that is exactly what is needed in the great crisis that we are going through. Western democracy threatens to lose the contest for the minds of men not, certainly, because we wish or plan to do so or because even a small minority of our country would wish it so, but rather by simple default. What are dollars and cents in comparison to such a loss? If by expenditure of moneys at all levels—federal, provincial, municipal, and family—and by the co-operation and understanding of all our industrial corporation and other organizations, each of which has a vital stake in the matter, we safeguard the minds of our youth and save our democratic and Christian civilization, the financial sacrifice will be a small wage to pay indeed.

I said at the beginning of my remarks that we are engaged in a crucial struggle for the conquest of the minds and souls of men, and following that statement I asked two simple but important questions: First, what line of defence can and must be established to win this cold war of ideas? Secondly, what role can education play in the gigantic struggle in which we are engaged?

If a hot war took place, our first line of defence would no doubt be the H-bomb and other nuclear weapons. Whatever weapons are used, such a war would demand huge sacrifice of money and human lives on the part of the Western world, but no sacrifice would be too great to save our Christian civilization. To build up our line of defence, men of superior minds in all fields of activities will be at work: highly trained engineers, scientists, technicians, military experts, all of whom are educated and prepared in our schools and universities. But if the present cold war should persist and if Khrushchev is right in saying that the communist will destroy capitalism, and therefore democracy, not with nuclear weapons but through the spread of the communistic ideology, then other means of defence will and must be used. Our first line of defence in this case will be education, for to combat an ideology such as communism another ideology must be used, and naturally it should be Christian democracy. But our people must know what Christian democracy is; they must know what it means, they must believe in it and live it passionately. That is the work of education. Our educational system must be so organized as to inculcate in the minds of our Canadian people the dangers that confront the democratic world, and what kind of civilization we are defending and what financial sacrifices we are ready to make to save that civilization. If education is our first line of defence, are we prepared to spend as many billions to build it up as we would to put up the line of defence for a hot war?

In *So Little for the Mind*, Hilda Neatby says:

> In the existing cold war no one would think of saying bluntly that we are spending so many billions a year to push back the Russians. We are defending our civilization and we are prepared to allow a lavish expenditure of lives as well as money in the process. It seems not unreasonable to suggest that we should know something of the nature of civilization that we defend. It seems quite in accord with the best scientific procedure to examine the civilization and determine the faith which has given it life as a means of deciding whether it is worth defending.

Let me bring this discourse to an end by quoting the words of one of the greatest statesmen of our times, Sir Winston Churchill:

> The flame of Christian ethics is still our highest guide. To guard and cherish it is our first interest both spiritually and materially. The fulfilment of spiritual duty in our daily life is vital to our survival. Only by bringing it into perfect application can we hope to solve for ourselves problems of this world and not of this world alone.

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

PRIVATE BILLS

ADANAC GENERAL INSURANCE COMPANY OF CANADA—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-18, to incorporate Adanac General Insurance Company of Canada.

He said: Honourable senators, this bill provides for the incorporation of a company by the name of Adanac General Insurance Company of Canada. The bill is in form as settled by Mr. MacGregor, Superintendent of the Department of Insurance. Some of the petitioners for incorporation of this company are residents of the United States, but the majority of them are Canadians resident in the city of London, Ontario.

The authorized capital of the company is to be $1 million, divided into shares of $100 each, and the amount to be subscribed before the general meeting for the election of directors is $500,000.

The head office of the company is to be in the city of London, Ontario.

The objects of the company are to undertake and transact practically all kinds of insurance except life insurance contracts. Section 6 sets out the various classes of insurance which the company is to be empowered to transact. The company cannot carry on any business until $280,000 of the subscribed stock has been paid in, and then it can carry on business in only the classes of insurance specified in section 7, that is a limited classification of subjects of insurance.

Then, to carry on additional classes of business certain additions must be made to the paid-up capital of the company, as provided in subsection 2 of section 7 of the bill.

This company will be a wholly-owned subsidiary of a corporation by the name of Delta Acceptance Corporation Limited, a company incorporated under the Ontario Companies Act, whose head office is in the city of London. It carries on business in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba and Ontario and, as its name implies, it is a company that is in the business of discounting commercial paper such as automobile sales contracts and so forth. Delta Insurance Corporation is quite a large company, having assets of over $38 million. It has a wholly-owned subsidiary by the name of Crescent Finance Corporation Limited, which holds a federal small loans licence.

It is proposed that the company to be incorporated under this bill will be used by Delta to write coverage on assets which are financed by it. I understand it to be a fact that practically every one of these major acceptance companies which finance automobile paper and other paper of that kind has its own insurance company subsidiary. Delta Acceptance Corporation is now doing the same as is done by these other major companies, namely, incorporating its own insurance company.

I believe the petitioners for incorporation of the company are all men of high repute and good standing in their communities.

Honourable senators, if this bill passes second reading tonight I will propose that it be referred to the Standing Committee on Banking and Commerce.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to Standing Committee on Banking and Commerce.

EVANGELICAL LUTHERAN CHURCH OF CANADA—SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of Bill S-19, to incorporate The Evangelical Lutheran Church of Canada.

He said: Honourable senators, I think perhaps that I should explain this bill at least briefly.

The purpose of the bill is to permit the amalgamation of four existing Canadian Lutheran church organizations into a new church organization to be known as The Evangelical Lutheran Church of Canada.

The four existing Canadian Lutheran churches are:

(1) Board of Management of the Canadian District of the American Lutheran Church,

the chief office of which is in Calgary, Alberta. This is a corporation incorporated by a Statute of the Parliament of Canada in 1913.

(2) Evangelical Lutheran Church of Canada, the chief office of which is in the city of Saskatoon, Saskatchewan. This is a corporation incorporated by the Parliament of Canada in 1951.

(3) Norwegian Lutheran Church of Canada, the chief office of which is also in the city of Saskatoon, Saskatchewan. This was incorporated by letters patent under the Dominion Companies Act in 1922.

(4) West Canada District of the United Evangelical Lutheran Church, the chief office of which is in Standard, Alberta. This church body carries on as an unincorporated organization.

These four Lutheran churches of Canada are affiliated with similar churches in the United States of America. Their American counterparts are at present in the process of amalgamating into one single organization to be known as the American Lutheran Church. Therefore the main purpose of this bill is to conform to what the similar churches of the United States are doing at the present time.

The congregations of each of the four existing Canadian Lutheran churches have held conventions approving of this amalgamation. Although the proposed amalgamation of the Evangelical Lutheran Church of Canada and the new American Lutheran Church of the United States will be affiliated, nevertheless it is to be stressed that the proposed new Canadian organization to be created by this bill will, through its board of trustees, have complete management and control of its own property and affairs in Canada from its chief office, which is to be in the city of Saskatoon.

The present locations of these four churches are as follows:

The American Lutheran Church at present has congregations in the provinces of British Columbia, Alberta, Saskatchewan and Manitoba.

The Evangelical Lutheran Church, including the Norwegian Lutheran Church, at present has congregations in British Columbia, Alberta, Saskatchewan, Manitoba and Ontario.

And the United Evangelical Lutheran Church at present has congregations in Alberta, Saskatchewan, Manitoba and Ontario.

The geographic area covered by the present congregations, therefore, lies between the Pacific coast in British Columbia and the Lakehead in Ontario.

The form of the bill follows closely the pattern which has been used by Parliament for many years in connection with the incorporation of other religious organizations. I may also add that form of the bill has been approved by the Law Clerk of the Senate.

Hon. Mr. Macdonald: I presume it has been approved by the Law Clerk as to form only?

Hon. Mr. Thorvaldson: That is right.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to Standing Committee on Miscellaneous Private Bills.

CONVENIENT CREDIT LIMITED—SECOND READING

Hon. Gustave Monette moved the second reading of Bill S-22, to incorporate Convenient Credit Limited.

He said: Honourable senators, this bill is for the purpose of incorporating a small loans company under the Small Loans Act. The name of the company, as shown by section 1 of the bill, is Convenient Credit Limited, and, in French, *Le Crédit Commode Limitée.*

The petitioners belong in two categories, the first being a number of executives of other companies of the city of Vancouver, and the second being a number of executives of companies of the city of Montreal.

Section 2 of the bill provides that the petitioners shall be the provisional directors.

By section 3 the capital stock of the company shall be $500,000, which may be increased to $1 million.

Section 4 provides that the amount to be subscribed before the provisional directors may call a general meeting of shareholders shall be $100,000.

Under section 5 the company shall not commence business until $250,000 of the capital stock of the company has been subscribed and $100,000 paid thereon.

Section 6 provides that the head office of the Company shall be in Vancouver, British Columbia.

Section 7 bears out what I said earlier, that the company is incorporated pursuant to Part II of the Small Loans Act, and to it all the provisions of that act shall extend and apply. I may add that the bill is in the form prescribed by the Small Loans Act, which is for the purpose of incorporating small loan companies; of course the bill has been verified by the officers, but the form is that prescribed by the act.

Honourable senators, this being a private bill I know it cannot be considered in committee this week. However, if it is given second reading I will move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Roebuck: Could the honourable senator tell us what rates of interest will be charged by the new company? For instance, will it be 1 per cent a month, or as much as 24 per cent a year?

Hon. Mr. Monette: That is a proper question, because, as I have said, section 7 provides that the company be incorporated pursuant to Part II of the Small Loans Act, and be subject to all the provisions of that act. It is in the general provisions of that act that the rates of interest to which my friend refers are mentioned. The rate of interest could be 2 per cent per month on a loan for not longer than fifteen months, and, for a longer period, 1 per cent a month. This private bill will be subject to the provisions of the general act in that respect.

Hon. Mr. Macdonald: The 2 per cent per month is the maximum rate?

Hon. Mr. Monette: That is the maximum rate. We are, of course, not asking that the company should always exact such a high interest rate. The honourable Leader of the Opposition (Hon. Mr. Macdonald) is quite correct, that is the maximum that may be charged. Of course I have not verified the amendment passed, I think, in 1956.

Hon. Mr. Vaillancourt: Honourable senators, to answer precisely the question asked by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), the rate is 2 per cent per month for the first $300 loan, 1 per cent for $300 to $1,000, and one half of one per cent on $1,000 to $1,500. This is not a very low interest rate.

I am wondering whether the name as translated in French is a proper translation.

Hon. Mr. Monette: I think the translation is correct. The name in English is "Convenient Credit". *Crédit Commode* means that it is easy to arrange for small loans. I think it is a proper translation and one that is easily understood.

There is in our midst another French-speaking lawyer from the province of Quebec who is well qualified to say whether the translation is a proper one.

(Translation):

Hon. A. K. Hugessen: What would my honourable friend think of the word *convenable?*

(Text):

Hon. Mr. Monette: *Commode* is a more nearly accurate expression than *convenable.* "Convenient" and *commode* connote the usefulness or the practicability of making loans. They also mean "handy". "Convenient" means convenient for all purposes, for convenience and also for practicability.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Monette: Honourable senators, I had thought at first that this bill would go before the committee tomorrow, but I am apprised that as it is a private bill it cannot be considered in committee until next week.

On motion of Hon. Mr. Monette bill referred to Standing Committee on Banking and Commerce.

NEWFOUNDLAND FISHERIES LAWS REPEAL BILL

On the Order:

Resuming the postponed debate on the motion of the Honourable Senator Higgins, seconded by the Honourable Senator Blois, for second reading of the Bill S-3, intituled: "An Act to repeal certain Fisheries Laws of Newfoundland".—(*Honourable Senator Pouliot*).

Hon. Mr. Aseltine: The honourable senator from De la Durantaye (Hon. Mr. Pouliot) is not in the house at the moment. This being a Government bill, he asked me if I would agree to having the order stand over until tomorrow. Because it has been at the bottom of the Order Paper for so long I move, with consent of the Senate, that it be placed on the Orders of the Day for tomorrow as Order No. 1.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 2, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Restrictive Trade Practices Commission, concerning the sugar industry in eastern Canada, pursuant to sections 18 and 19 of the Combines Investigation Act, Chapter 314, R.S. 1952. (English text).

Copy of the capital budget of Trans-Canada Air Lines for the year ending December 31, 1960, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952, together with copy of Order in Council P.C. 1960-92, dated January 25, 1960, approving same.

PRIVATE BILLS

MATADOR PIPE LINE COMPANY, LTD.—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-16, to incorporate Matador Pipe Line Company, Ltd., and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Gunnar S. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EASTERN TELEPHONE AND TELEGRAPH COMPANY—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-21, respecting Eastern Telephone and Telegraph Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Gordon B. Isnor moved that the bill be placed on the Orders of the Day for third reading next sitting.

Motion agreed to.

COLLEGE OF GENERAL PRACTICE OF CANADA —REPORT OF COMMITTEE

Hon. C. J. Veniot, Chairman of the Standing Committee on Public Health and Welfare, reported that the committee had considered Bill S-15, to incorporate The College of General Practice of Canada, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. F. W. Gershaw moved that the bill be placed on the Orders of the Day for third reading next sitting.

Motion agreed to.

NATIONAL SANITARIUM ASSOCIATION— REPORT OF COMMITTEE

Hon. C. J. Veniot, Chairman of the Standing Committee on Public Health and Welfare, reported that the committee had considered Bill S-17, respecting The National Sanitarium Association, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. T. D'Arcy Leonard moved that the bill be placed on the Orders of the Day for third reading on Tuesday next, March 8.

Motion agreed to.

NEWFOUNDLAND FISHERIES LAWS REPEAL BILL

SECOND READING

The Senate resumed from Wednesday, February 3, the adjourned debate on the motion of Hon. Mr. Higgins for the second reading of Bill S-3, to repeal certain fisheries laws of Newfoundland.

Hon. Jean-François Pouliot: Honourable senators, after I had the privilege of listening to what was said by the honourable senator from St. John's East (Hon. Mr. Higgins) and the honourable senator from St. John's West (Hon. Mr. Pratt) on this bill, I was so much interested that I went back to what had been said last year, on July 15, at the end of the session, when I was at home. I was struck by the fact that a piece of legislation concerning the fisheries of Newfoundland may be repealed by an act of Parliament, provided the repeal is approved, not by Legislative Assembly of Newfoundland, but by an order in council. I thought the approval of the Legislature would be required, but I looked at sections 18 and 22

of the Terms of Union and I saw it was stated right there that the approval of the Lieutenant-Governor in Council was enough.

After having listened to the two good speeches that I mentioned, one on February 2 by the honourable senator from St. John's East, and the other the day after, by the honourable senator from St. John's West, I looked at the record of July 15, 1959, and there I saw two other good speeches that were made, one by the honourable senator from St. John's East and the other by the honourable Leader of the Opposition (Hon. Mr. Macdonald). I agree with what they said, so I asked myself, "Why should I repeat what has been so ably said by others?" That is why I will not continue on at great length to repeat what three of my colleagues have said so well and in a manner that deserves every praise.

Motion agreed to and bill read second time.

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

Hon. W. Ross Macdonald: Honourable senators, has the honourable gentleman who explained the bill (Hon. Mr. Higgins) considered whether the house might like to have it referred to a standing committee? Unfortunately, the honourable senator from St. John's West (Hon. Mr. Pratt), who spoke on the bill, is not present, and probably will not be here for a few weeks, because he is on a very important tour in Australia in connection with Government work. I recall that when the honourable senator from St. John's West spoke he referred to the importance of proper inspection. He felt that the inspection had been done well under the former provisions, before control of the exportation of salt fish was taken over by the dominion Government. If I remember his remarks correctly, he was quite concerned as to whether that inspection was continuing, and it occurred to me that if the bill were referred to committee there would be an opportunity to inquire from the representatives of the federal Department of Fisheries with respect to this matter.

Hon. W. M. Aseltine: Honourable senators, I do not think there is any objection to referring the bill to a standing committee, but it seems to me that we might be able to get the information in some other way. However, I imagine the sponsor of the bill would not have any objection to its going before a committee if the Senate so desires.

Hon. John G. Higgins: Honourable senators, some honourable senators may have forgotten the explanation of the bill, as it was made such a long time ago. According to No. 18 of the Terms of Union between Canada and Newfoundland, all fisheries laws existing at the time of Confederation were to be kept in force until repealed. It will be remembered that the Exportation of Salt Fish (Permits) Act was repealed last year. Before that time the other provincial acts having to do with fisheries had been taken over by the federal authority. The only act remaining is the one creating the Fisheries Board, which looks after the exportation and inspection of salt codfish. That board has no work to do, because the other acts which dealt with the export of codfish have been repealed or taken over by the federal authority. This bill, in effect, does away with the Fisheries Board, which was created by act of the Newfoundland Parliament.

I do not remember fully the remarks of the honourable senator from St. John's West (Hon. Mr. Pratt), but I understand that he was talking only about the inspection of salt codfish. That inspection cannot now be carried out under Newfoundland laws, because they are repealed. My honourable friend may suggest that the regulations under the fisheries laws of Canada be changed so far as Newfoundland is concerned. There is, of course, nothing to stop that from being done, but it has no bearing on the bill now before us.

I have no objection to this bill's being referred to committee for consideration, but I see no necessity for it. If the honourable Leader of the Opposition (Hon. Mr. Macdonald) wishes to have it referred to a committee, I will move that it be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Macdonald: Honourable senators, unfortunately I am not qualified to ask questions of officials who might appear before the committee, because I am not a great fisherman of salt fish. I am a fisherman of some distinction in the fresh waters.

Motion agreed to and bill read second time.

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

Hon. Mr. Higgins moved that the bill be placed on the Orders of the Day for third reading tomorrow.

Motion agreed to.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

(Translation):

Hon. Henri C. Bois: Honourable senators, it is with pleasure that I join with my colleagues in congratulating the mover and the seconder of the address in reply to the Speech from the Throne. They acquitted themselves of the task with eloquence, discretion and ability.

These new senators and the Honourable Mrs. Irvine I most cordially welcome in our midst. I should be remiss were I not to pay my respects to our Speaker and to express the high esteem in which I hold him. He fulfils his duty with a smiling mastery and great tact and sometimes even with genuine humour. I offer him my sincere wishes for good health and would even go so far as to congratulate him upon his dignity and his ability.

The Speech from the Throne contained the following paragraph:

> The securing to farmers of a fair share of the national income through the maintenance of prices of farm products, has received constant attention and continues to be a matter of prime concern to my Government. Our farms have yielded surpluses which have necessitated a revision of existing measures to stabilize farm prices to ensure that their basic purpose is achieved without the wasteful accumulation of surplus stocks.

That is both a proof of goodwill toward the farmers and a discreet admission. It is an admission of the difficulties which may arise from any direct interference with prices on the part of governments, particularly prices of farm commodities. Of the good intentions, we have never had any doubt, and of the admission, however discreet, we could not help feeling that it would have to come some day. Far be it from me to discuss in detail the efficiency or appropriateness and the probable effects of the various measures which have been first adopted, then put into effect, or the value of the amendments subsequently made to them. This price support legislation has been qualified as temporary; it is bound to be repealed sooner or later. When that will be, no one knows, and it would take a smart fellow to foresee the date, because experience has shown that once such measures are implemented they become permanent. In this particular field, and particularly under the democratic system, they remain in effect much longer than had been foreseen. After all, everyone knows that there is nothing so durable as something temporary!

I think we all agree that action was necessary and that it had to be taken as quickly as possible, for the farmers had already started to settle their problem by leaving the farm. They were selling, leasing or deserting the land.

May I quote some figures:

	1921	1931	1941	1951	1956
Prince Edward Island					
Number of farms	13,701	12,865	12,230	10,137	9,432
Population %	N.A.	63%	53.7%	47.6%	43.6%
Nova Scotia					
Number of farms	47,432	39,444	32.977	23,515	21.075
Population %	N.A.	34.6%	24.9%	18%	14.2%
New Brunswick					
Number of farms	36,655	34,025	31,899	26,431	22,116
Population %	N.A.	44.1%	35.8%	29.1%	23.3%
Quebec					
Number of farms	137,619	135,957	154,669	134,336	122,617
Population %	N.A.	27%	25.2%	19.5%	16.5%
Ontario					
Number of farms	198,053	192,174	178,204	149,920	140,620
Population %	N.A.	23.3%	18.6%	15.3%	12.6%

In the United States, since 1950, the number of people living on the land has dropped by 3,900,000. The last rural census showed that there are 21,200,000 people on farms, that is one person out of every eight of the total population. In 1950 the proportion was one out of six, and fifty years ago it was one out of every three.

The problem which is of concern to me, the abandonment of the land, is far from being peculiar to Quebec, or to Canada, or to the United States or even to any European country over the last fifty years.

Who can blame the farmer for leaving the land? It is only natural for a man to choose the best paying occupation. In our

country, as in others, there have always been people who changed their occupation. And that is as it should be. As the number of men who have to work for a living decreases, there will be a proportionate increase in the number of those who can devote their time to the moral, intellectual and social uplift of mankind. The increased rate of such a change may be attributed for the most part to the sudden progress made, of which no one had any inkling 20 or 25 years ago. The slow and steady stream has become a raging torrent which may carry everything on its way. The danger is that it may not leave us with the same values as heretofore; those values may be destroyed or very nearly so unless we take measures to soften the blow. There is no use trying to take refuge in sterile inaction. There is no setting back the clock. Action had to be taken. But was it the best that could be taken? I very much doubt it. As a matter of fact I do not believe so. I agree that the breach had to be filled and that the urgency of the situation required action. But something else should have been looked after. There should have been a carefully chosen objective and appropriate means should have been taken to achieve it.

All the information and opinions that we were able to muster show that the preservation of the family farm is the paramount objective to be achieved. Of course, the farm will have to be adapted to the modern requirements of low-cost production and consumer demand. That calls for wider and more varied knowledge and greater financial means on the part of the farmer. Besides, he will have to substitute collective action to individual effort, especially as far as the processing and marketing of several agricultural products are concerned. That in itself is a monumental task. In order to determine the crops which should be developed, introduced, abandoned, etc., there is a modern field development technique which takes into account the size and shape of the fields, topography, water supply, fertility, presence or absence of boulders, etc. In the field of stock-raising, there is a technique which takes into account the strains and breeds which are most desirable in view of the types of soil and of the markets available, and the importance of the rules of genetics, feeding, herd management and veterinary medicine on the breeding, development and health of livestock, to say nothing of equipment, machinery, proper distribution of capital, etc. Obviously, it would take too much time to go into details. Tremendous changes have taken place in those fields but few are the farmers who have been able to keep up with them, and fewer still the number of those who had the means to do so. If we consider that the 1951 census showed a total of 134,336 farms in the province of Quebec, of which 24,187 were full-time farms and 21,189 were operated on a part-time basis—that is, farms having a gross income of $250 to $1,199, whose operator worked 100 days or more outside his farm and received from it an income less than his income from other sources—and if we realize that out of 53,577 farms the sale of products gave less than $2,500—which leaves only 35,181 farms which yield an income of $2,500 or more—then we can easily understand why the farmers' financial resources were insufficient to enable them to adapt themselves to the new conditions, unless they worked like slaves and provided their families with a low standard of living. The same situation prevailed in other provinces at that time, but the picture we have drawn should be sufficient to show that, in general, farmers cannot save enough money from the operation of their farms to introduce the changes which are absolutely essential to their survival. How could farmers be provided with the necessary capital? That is a difficult problem, but it is not insoluble. Let us point out immediately that the people who were entrusted with the granting of loans by government or semi-government bodies were mainly preoccupied with the value of the guarantee offered and that they did not give much thought to the results obtained with those loans. Thus, too many mortgages were used for the consolidation of debts. In many cases, more or less profitable results were achieved with the loans granted for farm and building improvements and for the purchase of machinery. In other words, no critical study was made of the use of those loans. This is what should be done. Every precaution must be taken (1) to discourage the continued operation of uneconomical farms which could not be converted into profitable enterprises; (2) to ensure that a man who thinks of nothing else but leaving is not kept on the farm against his will; (3) to prevent the carrying out of improvements which are not immediately profitable.

A sound knowledge of agriculture and rural economy, as well as familiarity with the locality and people, is required. Only with decentraliaztion of the organization empowered to grant or refuse loans can good

results be expected. That organization should be required to seek the co-operation of local movements, co-operatives, credit unions, farmers' trade associations, banks, chambers of commerce or tourists' information services, all of which are or will become constructively interested in the rational development of all local resources. Its delegates would be the chief agents of the central organization in that group, in the event, as can be expected, that provincial Governments want to participate in such a scheme to gear agriculture to the new conditions resulting from the factors mentioned above and from the rapid industrial development of the country in the last few years. Those delegates would be key-men. Their job would be to determine in co-operation with the farmers the farming system to be adopted, the various stages to be reached, the total credit required, the dates on which payments would be made and the use, as required under the plan, to which the loans would be put.

I think that in every province qualified personnel could be readily found or trained.

That method of simultaneously placing at the farmer's disposal both the result of a study of his problem made with his co-operation and the financial means to solve that problem might very well succeed in helping the farmer out of the difficulties in which he has become involved, more often than not through no fault of his own.

You may be surprised to learn, honourable senators, that such work has been going on in Quebec for over 30 years. The only difference has been and still is, as far as I know, that no special credit is available. The membership of those organizations was made up of average farmers who agreed to follow instructions. They proceeded at a speed geared to their own means. Today 8,000 to 10,000 farms throughout the province have undergone that treatment, as it were. The overall result is more than satisfactory. I have given you an outline of that plan in order to get the benefit of your experience and of your knowledge, which, as I know, are extensive. Agriculture is and will remain "a local science". The work of the Special Committee on Land Use in Canada is proceeding slowly and is often somewhat impeded by the fact that some of its members are incapable of devoting at least part of the period between sessions to an on-the-spot study of the facts. I have every confidence in the capability and sound judgment of the people associated with the committee. I have known most of them for many years. But many of my colleagues believe as I do that local contacts are most important.

A report was submitted by the royal commission which well deserved the appreciation it received. It showed in particular that the farmers were not responsible for the increase in prices paid by the consumers. On the contrary, they were also affected by the increase, considering especially that the selling price of agricultural products has remained stationary and is now on a downward trend. The royal commission has recommended the adoption of federal legislation on co-operation. These things are all very useful, but why say that the problem with which the agricultural producer is faced cannot be solved? A solution can surely be found, as evidenced by the co-operative creameries, cheese factories, slaughter-houses, mash processing plants and warehouses for the storage of bulk purchases of goods used by farmers, all of which have been financed by farmers and are successfully managed by them. Indeed, the problem is not beyond a solution. As time goes on, farmers will find a solution on a basis sufficiently broad to be permanent.

Before concluding, honourable senators, may I ask this question: Is it not strange that we should, and with justification, for that matter, spend huge sums on agricultural research and experiments, while at the same time devoting large sums to price support schemes? Strange indeed! Would there not be "something rotten in the kingdom of Denmark"?

Honourable senators, I have endeavoured to give a broad outline of the agricultural problem of the moment. Farming plays an important part, not only from an economic standpoint but also from a social and national standpoint. It is and will remain the best safeguard of our way of life. It deserves our most attentive care and our greatest consideration, and its loyal sons deserve a remuneration in keeping with the tasks which they perform.

(Text):

Hon. G. Percival Burchill: Honourable senators, I had not intended to take part in this debate, but after listening the other day to the excellent speech made by my friend and colleague the honourable senator from Southern New Brunswick (Hon. Mr. McLean) on a subject close to my heart, I thought I should add something to what he said.

Before doing so I should like to take this opportunity of joining with the previous speakers in this debate in welcoming our new colleagues to this chamber. I am sure they will enjoy the atmosphere here and, apart from the new friendships they will make and the happy experiences that will be theirs, I am sure they will find, as I have, that it is a great privilege and distinction to be a member of the Parliament of Canada.

Honourable senators, at the outset I think I can assume we are all agreed that export trade is vital to Canada and that present trade statistics indicate our export trade is out of balance; in other words, we are buying more than we are selling. I am sure that those who have had any experience in business will agree that this is not a desirable situation.

My honourable friend from Southern New Brunswick pointed out the serious handicap to and great damage being inflicted on our export trade as a result of the high premium on the Canadian dollar. I want to follow up his remarks by indicating the extent to which this damage is being inflicted on the giant forest industry of Canada. We can talk all we want to about Canadian wheat, oil and uranium, but never let us forget that Canada was built on wood and grew up on wood, and that our forest industry has played a prominent role in our history. We are apt to overlook the fact that our forest industry is still very powerful and influential and exerts a tremendous factor in the economy of this country. There are in Canada today 130 pulp and paper establishments, along with 6,300 sawmills, employing approximately 400,000 persons.

The other day a distinguished son of Nova Scotia, Mr. Dean R. Rogers, of the Consolidated Paper Corporation, Pembroke Division, spoke at the annual convention of the Canadian Lumbermen's Association, in Montreal. I was struck by his statement that the forest industry of Canada is the greatest single component in the economy of this nation. Do not let us forget that. It is first in employment, first in wages paid, first in freight loaded, and first in new capital invested. The exports of this industry for the year 1959 amounted to $1½ billion, which in the gross national product of Canada represents twice the output value of all the metal mines in this country. That figure, $1½ billion, which is the amount of the value of the exports alone of this industry, is made up of the following figures, which I thought might be of interest: $300 million represents wood pulp; $722 million, newsprint; $44 million, other paper products; $321 million, lumber; $116 million, other wood products. The total of $1½ billion is $100 million higher than in 1958.

That is the job that the lumber industry, or the wood products industry, is doing for the economy of this country in the matter of exports. It does not take a mathematician to figure out the penalty this industry is paying for the high premium value of the Canadian dollar. We all know what the premium on the Canadian dollar was during the past year. We can make some mental calculations, and it works out to somewhere between $60 and $70 million. That is what that item has cost the industry during the past year alone. When I say that 50 per cent of the value of the output of all the sawmills of Canada is exported, and that 92 per cent of all the newsprint made in Canada is exported, it will be realized just what this industry means to Canada and how much Canada needs it.

Before I leave this point, I want to quote a statement by Mr. D. W. Ambridge, President of the Abitibi Power and Paper Company, which appeared in yesterday's issue of the Ottawa *Journal*. In commenting on the year's operations of his vast company—and it is a vast company—he said:

> It is discouraging to hear from financial authorities that our Government can find no satisfactory weapon to attack and overcome the persistent high Canadian dollar premium. Apparently they believe that the damage being done to Canada's export trade is more than offset by the advantages of permitting a free market for the Canadian dollar. It is to be hoped, at this juncture in the history of world trade, that their judgment on so vital a matter will prove to be correct.

So far I have been talking from the national viewpoint. I want now to come closer home to our provinces by the sea, for if the forest industry is important to Canada, it is the very life blood of the provinces on the seaboard. Honourable senators are familiar with the fact that the transportation problem from our eastern provinces shuts us out more or less from Canadian markets, so our lumber in the early days was all shipped by water to the United Kingdom. It was loaded in ships and sent across the ocean, yet a very large percentage of the output of our sawmills in the eastern provinces is marketed in the United Kingdom. Our pulp and paper mills in the eastern provinces also, to a very large extent, if not entirely, sell their products to the United Kingdom and to the United States. We have in those provinces 13 pulp

and paper establishments; we have 1,615 sawmills, which employ upwards of 15,000 persons. I think it will be realized from these figures that the economy of those provinces, especially that of my own native province of New Brunswick, is largely dependent on the industries of the forest.

In the annual report of one of our largest companies, Fraser Companies Ltd., which operates pulp and paper plants at Edmundston, Newcastle and Atholville, the president, Mr. Crabtree, refers to the loss incurred in the conversion of United States funds to Canadian funds, which totalled last year for that company alone, $1,225,575—a staggering amount. Those of us who come from New Brunswick are aware of the fact that the Atholville plant of the Fraser Companies Ltd., which is near Campbellton, has been obliged to run on a two- or three-day schedule for some time. One of the factors responsible for that is unsatisfactory markets, which is contributed to by this nefarious dollar exchange rate, the result being that today there is a lot of unemployment in the town of Campbellton.

When one considers the penalty that has to be paid by exporters to the American market by reason of this exchange rate it is indeed surprising that we are able to meet the competition and keep these plants going. I am not surprised that Fraser Companies Ltd. finds difficulty in meeting competition and keeping its plant at Atholville in operation, for its products are all marketed in the United States.

But lest we think that it is only goods to the United States that pay this toll, I wish to remind honourable senators that we have to pay this export tax—for that is what it is—on all goods shipped to the United Kingdom, a market which our Government has been drawing to our attention very much in the past two or three years in the hope that more trade can be diverted across the water to the United Kingdom. Goods shipped to the United Kingdom are sold in sterling currency, and the shipper's bill of exchange, handed to a Canadian bank, is negotiated in New York and converted to American dollars. So the Canadian shipper, whether he ships to a sterling area or to the United States, is penalized to the extent of the premium of the Canadian dollar over the American dollar.

Honourable senators who look at the financial pages of our newspapers will notice in the column of foreign exchange quotations—for instance, in yesterday's papers—that the pound sterling was quoted at $2.66\frac{9}{16}$ in Canadian dollars and $2.80\frac{13}{32}$ in American dollars. In other words, the manufacturer in the United States who ships his goods to a sterling country such as the United Kingdom receives more than his Canadian competitor because the pound sterling will buy more American dollars than Canadian dollars. That is the hurdle which every Canadian exporter faces at the present time, and I ask this chamber if that is not a ridiculous situation in view of the fact that every economist in Canada today is hollering for more exports.

The honourable senator from Southern New Brunswick, in emphasizing this situation, alluded to the United Kingdom where, he pointed out, there is a stabilization fund established through the Bank of England which regulates the exchange rate of the pound sterling. That operates between a low of $2.78 and a high of $2.82. Those are American dollars I am talking about. In other words, if there are buying pressures which would have the effect of forcing the rate up to, say, $2.81, the pound is sold, and if there are selling pressures the pound is supported at or near $2.78½. My honourable friend from Southern New Brunswick said Canada might adopt some such sort of scheme, and it would work here just as well as it has worked over the years in Great Britain. That suggestion is not new. My honourable friend from Southern New Brunswick has been trained in finance and is a student of currencies. He tells us he knows whereof he speaks, and he feels that the proposal is sound and feasible.

I repeat, the proposal is not new. At a meeting of the Senate's Standing Committee on Finance last year when the Governor of the Bank of Canada was present I pointed out to him something of this situation and of the difficulties which exporters were facing, and I asked him if it would not be possible, feasible, and sound to do something here in Canada such as was being done in the United Kingdom. The Governor, I think, had not given the matter much thought—at least he was not very enthusiastic about the suggestion and I think he remarked that it would cost a great deal of money. I am frank to admit that I do not know whether it is a sound proposal or not, but I think it is well worth study, exploration and examination. I think there is too much at stake for us to sit idly by and not make some examination of the proposal to determine whether it is or is not sound.

So, honourable senators, I am making a suggestion to the Chairman of the Senate's Standing Committee on Finance (Hon. Mr. Emerson), who knows conditions in our province of New Brunswick, who knows everything I am saying this afternoon is absolutely correct, who knows how much the

economy of New Brunswick is tied up with the forest products industry and our export trade, and who knows that this condition affects not only the management of these corporations but also the employees and as well the standard of living in our province. I say to him that I think this question is so important at the present time that we in the Senate should not miss the opportunity we have to do something for Canada by calling in the experts, the men who know—officials of the Department of Finance, and others who study these things—who ought to be able to give us some advice as to whether or not the proposal is sound. I think it is an opportunity and a challenge, and I present it to my honourable friend for his favourable consideration.

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

INTERNATIONAL AFFAIRS

MOTION TO AUTHORIZE EXTERNAL RELATIONS COMMITTEE TO REVIEW CANADA'S ROLE—DEBATE CONTINUED

The Senate resumed from Tuesday, February 23, the adjourned debate on the motion of Hon. Mr. Thorvaldson:

That the Standing Committee on External Relations be authorized to review the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization;

That the committee have power to send for persons, papers and records.

Hon. David A. Croll: Honourable senators, this afternoon we have had quite a treat here in the two speeches that have just been delivered. We have heard an expert on agriculture, although I was not able to follow him as well as I should have been, and then we heard another expert, a specialist in business and trade. I think it is well to call attention to the fact that herein lies the strength of the Senate, that its members include men of experience and knowledge who are able to contribute something of great value to its debates. I hope that I am able to do as well.

I am sure that the house will be pleased to see this very important committee on external relations being activated, and I hope that the chairman (Hon. Mr. Thorvaldson) will see to it that the committee is given considerable scope in studying the many aspects of the United Nations and of the North Atlantic Treaty Organization. I expect to discuss a few of them this afternoon.

First I want to compliment the Government on its firm and persistent advocacy of disarmament. Our hope is not peace by mutual terror but by disarmament, comprehensive, inspected and enforced.

Canada, by reason of its membership in the ten-nation committee on disarmament, which is meeting later this month, can play a very useful part in endeavouring, first, to avoid internal differences between the Allies, in order that we may reach some common policy, which we have not yet reached, and with the further hope that we shall be able to reach some agreement with the communist bloc on disarmament in order that we may begin the many phases of disarmament. Much time has already been wasted by debating whether armaments and controls should precede or follow the solution of political differences. The truth is that in many instances work on both must go along together, since they are both part and parcel of the same problem. And so the disarmament conference could not come at a better time for this country, because we are in the process of making up our minds whether to plan our main defences by manned aircraft or missiles or both; and we are even now constructing two missile bases, even though the missile that is to be fired has failed six times and may fail again.

Further, we are not clear on control of nuclear weapons used by the Canadian forces on Canadian soil.

These are just a few of the problems that require a decision.

There has been some reduction in defence estimates amounting, I think, to 6 per cent. It is slight, but it is a beginning, and if it is a forerunner of what is to come the Canadian people will welcome it.

There are many areas of tension in the world today. Berlin has been on the agenda for some considerable time, and seems no nearer to solution. Now we must add to that the tension in the Middle East. Bitter tensions are becoming more pronounced, and trouble seems to be brewing. It all stems from the closing of the Suez Canal to Israeli ships or those carrying cargo on behalf of Israel. The Danish ship *Inge Toft* has been refused admission to navigate the Suez Canal since May 1959. Despite intervention by the Secretary-General of the United Nations, Egypt is adamant. He was unable to sway them. By denying passage to Israeli ships or cargo, Egypt has broken the terms of the 1888 convention on the freedom of navigation. Moreover, she has ignored a specific ruling by the United Nations Security Council, which ruled that ships of all nations had the right to use the canal. Further, she has ignored her own promise to the United Nations to keep the canal open to the ships of the world.

This continued provocation leads to a sense of frustration. It seems that Israeli

rights are conveniently forgotten. Piracy is ignored. The arbitrary limitation of Israeli export trade appears to be accepted as permanent. This must inevitably lead to trouble. Israel in her own interests must break the stranglehold. How she will do it will be a matter for her to decide.

It is very difficult to understand, in the light of such lawlessness as I have indicated, that the vote of Britain, the United States and Canada should recently have provided $50 million from the World Bank to Egypt for improvements to the Suez canal. If Canada felt that she must go along and support the loan, she had an obligation to protest and demand that certain conditions should be imposed. It is regrettable that she did what she did. The press reports that large forces are piled up against a frontier in an area where there have been two major explosions within a dozen years. The situation is dangerous; it can become grave, if freedom of shipping at Eilat, Bay of Aqaba and Suez is menaced.

In so far as our defence is concerned, we have now reached an atomic stalemate. A balance of terror has replaced the old concept of a balance of power. The assumption is that the weapons which are now available will not be used.

The danger of accidental war has never been greater, and it is more likely to increase as atomic weapons and missiles get into more hands. I have in mind particularly communist China.

I think it is about time that sanity and realism were brought to bear on the Chinese situation, where recognition is long overdue. It is clearly understood that diplomatic recognition of a régime does not involve approval. I would remind the house that we recognize and have a representative here of a state that practices slavery; yet we hear no protest about it. Recognition is simply a device to help others live together for better or for worse. We have to live with communist China. How we can possibly and effectively decide on world disarmament without 700 million Chinese being represented is beyond all reason. That situation makes about as much sense as one of the reasons given by the Secretary of State for External Affairs for refusing to recognize China, when he said:

> ... that the Chinese Canadians of the west coast are violently opposed to the communist régime and all sorts of trouble might ensue if a consul from the Peking régime made his appearance in Vancouver.

An Hon. Senator: When did he say that?

Hon. Mr. Croll: My honourable friend asks when the minister made that statement. It was in January of this year.

I wish to say a few words about Germany. I can best start by saying that Germany is up to her old tricks. We thought we had disinfected and deodorized her, but we find that as her physical strength grows, so does her arrogance. This is not a new subject. There was a lengthy debate on Germany in the House of Commons in 1951. Then in 1955 that house had a debate, as the Senate did, at the time Germany was admitted as a member of NATO. Perhaps in the light of what I have to say I might indicate to the house my attitude in 1951. At that time I said:

> When the fourth session of the Twenty-first Parliament opened on January 30, 1951, at the earliest opportunity, which was during the debate on the Speech from the Throne on February 6, I spoke at length of the dangers of rearming Germany. My words appear on pages 114-118 of *Hansard* for February 6, 1951. There I discussed at length many of the problems which now face this house. The tenor of my speech was that we must approach the problem of German rearmament with the greatest caution and safeguards, and with the memory of what an armed Germany cost the world in blood and tears in two world wars. We cannot afford to chance it once again without adopting precautionary measures, safeguards and controls.

Then, as I have said, in 1955 the matter came up for discussion again, at the time Germany was permitted to enter NATO and to rearm herself. During the course of that debate in the Commons I concluded my remarks with these words:

> This is a momentous decision which, for good or ill, may determine the fate of generations. What we do now is with the hope and prayer that we are avoiding a greater catastrophe—at the very best it is a choice of evils. I believe this house knows my background, upbringing and family tradition. Seared and burned in my memory are names that will forever live in infamy. I have had thousands of representations and many delegations which have made a very deep impression on me. There is scarcely a home in one portion of my riding that has not suffered. I am a man torn. I have done much soul searching. My heart, instinct, intuition and emotions say no. My head, logic and realism say yes.
>
> I admit that the realities cannot be denied. There is no middle or alternative course. Without this step that we propose to take now, there can only be chaos. With great reluctance and a heavy heart I shall do what needs to be done at this time, without joy and with the greatest of misgivings.

I voted in favour of the measure to endorse Germany's rearmament and her entry into the North Atlantic Treaty Organization.

The recent German-Spanish episode is worthy of examination. First, I recall to this house that it was twenty years ago that Hitler's Luftwaffe used the Spanish Civil War as realistic training for its forces, which turned out to be a dress rehearsal for something that was very real a little later on. On Tuesday of last week, February 23, there

was a full and complete denial of any approach to Spain by the German Government for either supply or training facilities. I quote from the *Globe and Mail* of February 24:

> Canada has been neither consulted nor informed of any negotiations between West Germany and Spain concerning German military installations in Spain, External Affairs Minister Green said today.

I quote from the *Globe and Mail* of February 25:

> External Affairs Minister Green told the Commons today that he had received a specific denial from the West German Government that it was negotiating with Spain for military bases or training facilities.

I quote from the *Globe and Mail* of February 26:

> While continuing to insist the whole thing was a journalistic pipedream, External Affairs Minister Green today said the Canadian Government should have been consulted by West Germany concerning that country's plans to locate military installations in Spain.

And further on:

> Recalling that he had given the house yesterday a specific denial from the German Government that negotiations had taken place, Mr. Green then read a similar denial received from the Spanish Ambassador to Canada.

You have there a denial. According to Mr. Green's statement this was all news to him and, indeed, a journalistic pipedream. You have a denial from the West German Ambassador, and a denial from the Spanish Ambassador, and this morning, in the *Globe and Mail* of March 2, is a letter by the Vice-Consul in Toronto who also makes a denial even at this late stage. I am reminded of a definition I once read of an ambassador, which said he was an honest man sent abroad to lie for the good of his country. How well that fits this particular instance! The Vice-Consul at Toronto joins the parade a little late but, nevertheless, he repeats what is obviously an untruth in order to bolster up the position of his Government. This has turned out to be untrue. It is unfortunate that such dishonest statements should have been made by high officials in the German Government and the Spanish Government, and that they should be repeated by the ambassadors to the Secretary of State for External Affairs of Canada.

Germany's claim that present supply and training facilities are inadequate does not stand up, because rear supplies are the function of NATO, and they have adequate facilities. Germany has dumps in Belgium, Holland, Denmark and Norway, and German aircraft are using firing ranges in Turkey. It is quite obvious that the real reason was to secure ranges for testing strategic weapons in secret. It is well for this house to recall, as I indicated in the quotation from the speech I made in 1955 in the House of Commons, that it was nine years after World War II that Germany was permitted to rearm. To allay the fears of German militarism and aggression the West stipulated that German rearmament would be under NATO. Now, without consulting NATO, West Germany has made an approach to Spain.

The Windsor *Star* of February 26, under the heading "Now", contains an article written by H. L. MacPherson, who says this, and I think he sums it well:

> West German moves to obtain military bases in Spain have been getting a fast hosing down—with cold, cold water. This quick dousing makes sense. Dependability of those Germans in a situation in which they might become a balance of power still is too uncertain to be trusted. Letting 'em branch out would only add to the risk.
>
> For a long time the only safe Germany will be one with a foot on its neck. This widespread conviction doesn't rule out acceptance of such support as in their own self-interest those Germans will give the West. But it doesn't extend to the point of forgetting too much. One thing to remember is that apart from a few executions, imprisonments and natural deaths the old German General Staff still is pretty much intact.

Mistrust and fear of Germany run deep—mistrust that she is prepared to make a dangerous adventure to regain German preeminence on the continent; fear that she may well plunge Europe into disaster. I am not sure that honourable senators know it, but in another year the German contribution to the ground strength of NATO will be greater than that of all the other Allies combined. She has now 1,000 supersonic fighter bombers which can carry nuclear weapons across the Iron Curtain. In addition, she has two types of missiles, the Mace and the Matador, each of which has enough range to reach Russia. As for NATO warheads, all honourable senators are acquainted with the statement made by the President of the United States who has asked for power to hand over bombs and warheads to Allies which have proved reliability—and by Pentagon standards Germany is reliable.

The reaction to the approach to Spain, when it became public, was instant and unfriendly, which indicated that the world has not yet forgotten the Hitler-Franco alliance of World War II. Germany was told by the United States and Britain not to go ahead with the Spanish idea, for the reason that the bases which she would operate in Spain would be under control that was contrary to the NATO concept, but Germany felt she could ignore the misgivings of the Allies. Negotiations were commenced in 1959 when Germany sent an official mission to Spain. They did not come to light until February.

At this point I would quote from a report appearing in yesterday's edition of the Montreal *Gazette*:

> Britain today acknowledged that West Germany is legally free to produce nuclear weapons outside its own territory but Foreign Secretary Selwyn Lloyd expressed the conviction in the House of Commons that West Germany would not do so.

In that light it was interesting to read a press report appearing on February 29 in the Toronto *Star* headed "Krupp Turns Down Bid To Make Arms In Spain." This report, datelined Bonn, Germany, reads in part as follows:

> The German steel king, Alfried Krupp, who supplied arms for Hitler in World War II, has turned down an offer to participate in making Spanish arms, informed industrial sources said today.
>
> The disclosure of the offer and its rejection came in the middle of an international row about West Germany's attempts to lease military supply bases in Spain.
>
> Krupp, industrial sources said, was offered an opportunity to participate in a new arms plant to be built next to a large steel mill now in operation in Bilbao.
>
> Key discussions were held in Spain early in December when Krupp visited there as the guest of the Spanish Ambassador to Germany, the Marques de Bolarque.
>
> Krupp and his host ostensibly went to Spain to hunt game but it was learned today they spent most of their time discussing the weapons factory project.

Here we find that negotiations were going on in December of last year between Germany and Spain, and all of a sudden there turns up in Spain a man named Krupp who is associated with guns and war and slave labour. He has been in this nefarious business all his life, and his family has been in this nefarious business all their lives.

Hon. Mr. Reid: He is associated with Cyrus Eaton too.

Hon. Mr. Croll: I am doing well enough by him without the addition of anything by my honourable friend. The Winnipeg *Free Press* of February 9 had this to say:

> The vast Krupp empire in the Ruhr will most probably remain intact. Neither West Germany nor the United States appears to be very keen on pressing Mr. Alfried Krupp to dispose of his coal and steel assets in accordance with the undertaking he gave to the Allied powers.
>
> The agreement between Mr. Krupp and the Western Allies was signed shortly before the Federal Republic achieved full sovereignty in 1955, and was to be implemented by January 31, 1959.
>
> Instead of disposing of his holdings, Mr. Krupp has increased them to such an extent that his is today the greatest concentration of heavy industry in Europe. It employs some 100,000 people, and its yearly turnover is well over a billion dollars.

The report goes on to say that Mr. Krupp maintains he cannot find buyers for his holdings, indicating that they involve a considerable amount of money. I have here a press release emanating from Bonn, Germany, which appeared in the January 26 issue of the Toronto *Globe & Mail*. It indicates that Mr. Krupp has been given an extension of another year in which to sell his coal and steel holdings, and the report says:

> The West German Government more than a year ago asked the Western powers to release Mr. Krupp from his obligation to sell.

Honourable senators, what I am saying to this house is something which appears very obvious to me, that here was a West German mission going into Spain and Krupp invited to Spain for the purpose of setting up an arms factory. Here was an armament scheme being planned behind the backs of the NATO Allies. This seems obvious to me, and it was for this reason I stated very boldly that Germany is not to be trusted and she is still to be feared.

Though we have said "Never again" we have helped to rebuild Germany and we have permitted her military development within NATO. Though Germany promised that Nazis would be barred from public service, three very prominent members of the present cabinet are notorious Nazis. There was the further promise that the Krupp empire would be demolished. This promise was not carried out and Krupp is now the most powerful industrialist in all Europe.

We have got to, whether in this house or in any other assembly of free men, speak up and guard against the resurgence of German militarism. NATO has underwritten the security of Europe for fifteen years and it is time we said to Germany "Never again". This time we must mean it, for I think it is quite obvious that you cannot trust Germany with a sling-shot, a pop gun or a water pistol. Somehow she will make a war weapon out of it.

What has come out of this? Certainly confidence in Germany has been shaken. I am not one of those who had too much confidence to begin with, but something else has happened that is very disappointing from my point of view, and I believe from the point of view of this house.

I can recall within most recent memory when the opinion of this country was sought, when our views were courted, when we were consulted, when we were made aware and we were at least informed. How the mighty have fallen! We now read about it in the newspapers. That is the way that the Secretary of State for External Affairs first hears about such important and vital matters. What a comedown for us! No one took the trouble to inform us. No one asked for our views. We are paid-up members of NATO, and there are very few who meet their commitments to NATO as Canada does. Yet

we were entirely ignored. That is a new situation for Canada. It is an unpleasant one and I hope it will not be repeated.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 237 to 253, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the Committee, reports adopted.

BILLS—SECOND READINGS

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

Bill SD-196, for the relief of David Byrne Kieran.

Bill SD-197, for the relief of Nina Finkelstein Anshell.

Bill SD-198, for the relief of Joseph Leo Roger Latendresse.

Bill SD-199, for the relief of Norma Rosalie Parsons Turgeon.

Bill SD-200, for the relief of Maria Reichinger Lehnen.

Bill SD-201, for the relief of Marie Cecile Leda Vezeau Leger. (Annulment).

Bill SD-202, for the relief of Rose Mary Dubeau Pietrinferno.

Bill SD-203, for the relief of Daniel Edward Napasney.

Bill SD-204, for the relief of Pauline Mary Ann Irene Patry Gaudreau.

Bill SD-205, for the relief of Rose Ella Katherelos Parry.

Bill SD-206, for the relief of Gwendolyn Marion Mizener Nassif.

Bill SD-207, for the relief of Joseph Ernest Coutu.

Bill SD-208, for the relief of Joseph Henri Berube.

Bill SD-209, for the relief of Maria Hocheder Weber.

Bill SD-210, for the relief of Sherrill Oridge Glandsdorp.

Bill SD-211, for the relief of Bronislaw Kulawik.

Bill SD-212, for the relief of Pauline Sornin Barrett.

Bill SD-213, for the relief of Sandra Maxine Shoore Sheydwasser.

Bill SD-214, for the relief of Margaret Maclaren Harris.

Bill SD-215, for the relief of Irmgard Poikonen Horvath.

Bill SD-216, for the relief of Estelle Labelle Baxter Robertson.

Bill SD-217, for the relief of Alphonse Yared.

Bill SD-218, for the relief of Andre Lamothe.

Bill SD-219, for the relief of Rita Hamel Labranche.

Bill SD-220, for the relief of Lionel Boucher.

Bill SD-221, for the relief of Eliza Boudreau Filion.

Bill SD-222, for the relief of William Leslie Baillie.

Bill SD-223, for the relief of Pauline Handji Edelstein.

Bill SD-224, for the relief of Molly Brenda Stein Butterman.

Bill SD-225, for the relief of Laurette Biron Valade.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn.

Hon. W. Ross Macdonald: Honourable senators, before the house adjourns may I ask the Leader of the Government (Hon. Mr. Aseltine) if it is his intention to proceed tomorrow with the motion standing in his name for an amendment to the British North America Act?

Hon. Mr. Aseltine: Honourable senators, I shall not proceed with this motion tomorrow and I propose to ask that it stand for a week or ten days. I shall give the honourable Leader of the Opposition (Hon. Mr. Macdonald) and other members of the Senate full information in plenty of time.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 3, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following document:

Report on the operation of agreements with the provinces under the Hospital Insurance and Diagnostic Services Act, for the fiscal year ended March 31, 1959, pursuant to section 9 of the said act, being Chapter 28 of the Statutes of 1957. (English and French texts).

DEPARTMENT OF JUSTICE BILL

REPORT OF COMMITTEE

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-47, to amend the Department of Justice Act and had directed the chairman to report the same to the Senate without amendment.

Report adopted.

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

Hon. George S. White moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, before making the usual motion with respect to adjournment of the Senate I would like to point out that when this afternoon's sitting is concluded we shall have dealt with all the legislation on our Order Paper, and the only business left will be the debate on the address in reply to the Speech from the Throne and several motions and inquiries.

For some time now we have been expecting to receive Appropriation Bill No. 1, 1960, authorizing certain supplementary estimates. Up to the present moment it has not been passed by the other house, but there is a possibility that it will be passed and sent to us before the end of the week. In that case, I would like to be able to begin dealing with the supplementary estimates on Tuesday next. The only object in adjourning until Monday would be to give the Appropriation Bill first reading that day. In order to avoid adjourning to Monday I ask for unanimous consent of the Senate to having consideration of the supplementary estimates commence on Tuesday evening. If I am able to obtain unanimous consent I shall be glad to move the usual notice of adjournment.

In the meantime, may I ask honourable senators to study the supplementary estimates, copies of which have been in their possession for some two and a half weeks, so that we shall be able to go ahead with them when the bill comes to us? In case the bill should not be printed over the weekend, although I think it will be, I would suggest also that honourable senators bring their copies of the supplementary estimates with them to this chamber on Tuesday evening.

Honourable senators, have I the unanimous consent of the house?

Hon. W. Ross Macdonald: Honourable senators, speaking for myself, I am glad to give that consent, on the distinct understanding that the bill will not necessarily receive second reading on Tuesday evening. I am prepared to give consent to the extent that the Leader of the Government (Hon. Mr. Aseltine) may proceed then with the motion for second reading of the bill. We may dispose of it on Tuesday evening, but I could not guarantee that.

Hon. Mr. Aseltine: That is quite satisfactory to the Leader of the Government.

I therefore move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, March 8, 1960, at 8 o'clock in the evening.

Hon. T. A. Crerar: May I ask a question? Do I understand the Leader of the Government (Hon. Mr. Aseltine) to say that this is Appropriation Bill No. 1?

Hon. Mr. Aseltine: Yes, for 1960.

Hon. Mr. Crerar: Does it not contain the final supplementary estimates for the present fiscal year, which ends March 31, 1960?

Hon. Mr. Aseltine: Appropriation bills are numbered consecutively in the calendar year. This is Appropriation Bill No. 1 for the year 1960.

Hon. Mr. Crerar: But it contains the final supplementaries?

Hon. Mr. Aseltine: There may be further supplementaries.

Hon. Mr. Macdonald: I understand there have already been at least one and possibly two supplementaries for the present fiscal year.

Hon. Mr. Aseltine: We had a supplementary Appropriation Bill last session, but I am not in a position to say whether the one we are waiting for will contain the final supplementaries for this fiscal year or not.

Hon. Mr. Macdonald: This is called Appropriation Bill No. 1, 1960, just to confuse us a little more.

Hon. Mr. Aseltine: I do not think that is a very fair statement.

Hon. Mr. Macdonald: It may not be intended to confuse us, but I must say it is quite confusing to me to see that this is Appropriation Bill No. 1 when I recall distinctly that we have had previous appropriation bills for the present fiscal year. It is confusing to me, honourable senators, and it may be confusing to other members.

Hon. Mr. Aseltine: Honourable senators, I went into that question quite fully last year when I explained the last Appropriation Bill of the session, No. 5. On inquiry from the Department of Finance I found out that appropriation bills are numbered consecutively, starting with No. 1, in each calendar year, no matter what fiscal year they refer to, and I explained that to the Senate, if I remember correctly.

Hon. Mr. Crerar: As far as I am concerned it is a matter of indifference whether the bill is called No. 1 or No. 51. The important thing to understand, I think, is that these supplementary estimates are to clean up the business for the present fiscal year ending March 31, 1960.

Hon. Mr. Connolly (Ottawa West): No, not necessarily.

Hon. Mr. Macdonald: That is not necessarily correct, I am sure, because these supplementary estimates were tabled about a month ago and the Government has until the end of the month to table further supplementary estimates, if it sees fit to do so.

Hon. Mr. Crerar: That is true, we might have further supplementary estimates yet.

Do these particular estimates apply to the fiscal year 1959-60 or to the fiscal year 1960-61? My point is that they apply to the fiscal year 1959-60.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Crerar: That is the important point.

Hon. Gordon B. Isnor: May I inquire from the Leader of the Government (Hon. Mr. Aseltine) whether honourable senators will be at liberty to discuss items in the main estimates when we are considering these supplementary estimates?

Hon. Mr. Aseltine: These would have nothing to do with the estimates for 1960-61.

Hon. Mr. Isnor: But would honourable senators be free to discuss items in the main estimates for the fiscal year 1959-60?

Hon. Mr. Roebuck: The estimates we shall be considering next week are supplementary to the main estimates.

Hon. Mr. Macdonald: Mr. Speaker, on a point of order, it seems to me that if an item for a certain department appears in the supplementary estimates for 1959-60 an honourable senator would be free to discuss that item in the main estimates for that year. But if the item does not appear in the supplementary estimates, I would not think he could discuss it.

Hon. Mr. Roebuck: I do not agree with that observation.

The Hon. the Speaker: Honourable senators, I do not believe I should be called upon to decide a point of order before the matter actually comes before the house. If on Tuesday evening next the supplementary estimates come before the house and an objection is taken or a point raised in the debate, I will decide it at that time. I do not think I should rule on it in advance.

Hon. Mr. Macdonald: Mr. Speaker, may I bring to your attention the fact that on previous occasions debate has not been limited or restricted in any way when supplementary estimates are before the house.

The Hon. the Speaker: Has the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) some further comment?

Hon. Mr. Roebuck: I was only going to remark, Mr. Speaker, that these supplementary estimates are supplementary to the main estimates, and their total is supplementary to the grand total that is already before us. Everything that is mentioned in the supplementary estimates therefore increases the main estimates, and the widest discussion should be allowed.

Motion agreed to.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-226, for the relief of Viviane Hirsch Montmartin Gadbois.

Bill SD-227, for the relief of Grace Kara Forshaw.

Bill SD-228, for the relief of Gloria Helene Stotland Titleman.

Bill SD-229, for the relief of Armand Simeon Lavictoire.

Bill SD-230, for the relief of Audrey Mary Crosbie Morris.

Bill SD-231, for the relief of Joyce Tabah Tomy.

Bill SD-232, for the relief of Ruth Irene Diakur Mendel.

Bill SD-233, for the relief of Florence Beryl Kellam Weinstein.

Bill SD-234, for the relief of Marie Esteie Caprari.

Bill SD-235, for the relief of Olive Bowes Schofield.

Bill SD-236, for the relief of Jeanne Beauchemin Arpin.

Bill SD-237, for the relief of Jean Claude Bilodeau.

Bill SD-238, for the relief of Robert George Butler.

Bill SD-239, for the relief of Helen Harpes Avon.

Bill SD-240, for the relief of Sonia Slovsky Coppel.

Bill SD-241, for the relief of Shirley Huberman Schreiber.

Bill SD-242, for the relief of Paulette Goldberg Slepp.

Bills read first time.

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

Hon. Mr. Roebuck moved, with leave, that the bills be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

TRANS-CANADA AIR LINES

SENATORS NOT INVITED ON INAUGURAL FLIGHT OF JET-POWERED SERVICE

On the Orders of the Day:

Hon. Thomas Reid: Honourable senators, I would like to draw to the attention of the Leader of the Government (Hon. Mr. Aseltine) a matter which, to my mind, is a slight on the members of the Senate, especially those from British Columbia.

As honourable senators know, Trans-Canada Air Lines is inaugurating its jet-engined passenger service with a flight from Montreal to Vancouver. A few days ago every British Columbia member of the House of Commons was invited to participate in that flight. I am not speaking for myself particularly, because I doubt whether I would accept the invitation, but I do think it is a slight on this house that no senators from British Columbia have been given the privilege of travelling on that inaugural flight.

I would like the honourable Leader of the Government to draw that fact to the attention of Trans-Canada Air Lines, and find out the reason why senators from British Columbia were ignored.

Hon. Mr. Smith (Queens-Shelburne): You could go by C.P.A.

PRIVATE BILLS

MATADOR PIPE LINE COMPANY, LTD.—THIRD READING

Hon. Gunnar S. Thorvaldson moved the third reading of Bill S-16, to incorporate Matador Pipe Line Company, Ltd.

Hon. John J. Connolly (Ottawa West): Honourable senators, before this bill is passed I would like to make some remarks about it. They arise out of the very interesting discussion we had yesterday when the bill was considered by the Standing Committee on Transport and Communications. I think it is fair to say that every time a pipe line bill comes before Parliament, and certainly before committees of the Senate, we are a little concerned about just what our position should be, and in this bill I think we had a typical example of the problem that confronts us from time to time.

On this occasion we had a bill which conformed to practically every other private pipe line bill that has come before Parliament. The form of the bill was quite satisfactory to the committee, but, in addition to the form of the bill, the powers that are given to any of these companies to develop a pipe line project, as well as the project itself, have to be considered. The honourable senator who sponsored the bill (Hon. Mr. Thorvaldson) explained the project, and his explanation was very helpful.

What is proposed in this particular case is that oil from the Williston basin, which is south of the Canadian border, will be transported across the Canadian boundary to the main pipe line of the International Pipe Line which runs through Manitoba, and will be taken from that point to refineries in Wisconsin or in Minnesota. The question that occurred to several members of the committee was whether or not this oil would be in competition with western Canadian oil which was going through the same Interprovincial Pipe Line facilities to those same refineries in that section of the American market.

The evidence indicated that at the present time oil from the Williston basin is, in fact, going to these refineries, and it is transported there by tank car at the rate of 5,000 barrels

a day at $1.10 a barrel. It was explained that this project would undoubtedly make it possible for that oil to get into that refinery area at a cheaper rate and, probably, in a much greater volume. A question then arose in the minds of most honourable senators on the committee as to whether or not the introduction of larger quantities of this oil would in fact preclude greater sales of Canadian oil in the same area. Having regard to the fact that the existing producing Canadian wells in western Canada are cut back to 25 per cent of their productive capacity, a further question arose as to whether or not we should allow these facilities to be established and to operate to the detriment of production in western Canada.

Honourable senators, my own view is that even though these questions do arise we are not qualified and are in no position to refuse the application for the charter. My reason for saying that is as follows. During the last session of Parliament the National Energy Board Act was passed, and the National Energy Board has the power and the authority to consider applications for pipe line projects of this kind. But before the board can consider an application those who are behind the project must qualify themselves, and the only way in which they can do that, and develop a pipe line to cross either an interprovincial or an international boundary, is by becoming incorporated under an act of Parliament. While there may be in the minds of honourable senators who are members of the committee some unanswered questions with respect to the ultimate validity of this project, I think, having raised these issues, the Senate will be doing the proper thing in passing the bill. If there is to be any question of the value of the project, or if there is to be any question about the extent of competition that might be developed against Canadian oil in those American markets—and I do not think that is necessarily a bad thing; it may cause the Canadian interests some difficulty, but competition is not a wrong thing for them to have to face—then those questions will be considered elsewhere, namely, by the National Energy Board. I think that in the circumstances the committee was justified in recommending passage of the bill.

Hon. W. Ross Macdonald: Honourable senators, the honourable senator from Ottawa West (Hon. Mr. Connolly) has referred to the competition that might face western Canadian oil in the United States through the routing of this oil from the United States into Canada and then back into the United States. I would point out that the bill gives the company power to do more than that. The company is asking for power not only to transport oil but to sell oil in Canada. As honourable senators are aware, oil produced in the United States would be brought into Canada by a pipe line which joins into the Interprovincial Pipe Line system and then be carried back into the United States. But under this bill the company would not have to carry the oil back. It will be observed that section 6(a) of the bill, page 3, lines 27 to 30, gives the company power to:

> —buy or otherwise acquire, transmit, transport and sell or otherwise dispose of and distribute oil and other liquid hydrocarbons and products thereof.

Honourable senators, I have made these comments to bring to your attention that the powers we are giving this company are quite wide. I am not opposing the bill, but I do feel that when legislation giving a company certain powers is presented to this house we should know just what those powers are. It is all very well for an honourable member to say that the intention of a company is this and that. A company may have certain intentions today, but tomorrow, when it possesses wider powers, its intentions may be altogether different. I repeat that we are empowering this particular company to do more than merely transport oil.

Motion agreed to and bill read third time and passed.

EASTERN TELEPHONE AND TELEGRAPH COMPANY—THIRD READING

Hon. Gordon B. Isnor moved the third reading of Bill S-21, respecting Eastern Telephone and Telegraph Company.

Motion agreed to and bill read third time and passed.

COLLEGE OF GENERAL PRACTICE OF CANADA —THIRD READING

Hon. F. W. Gershaw moved the third reading of Bill S-15, to incorporate The College of General Practice of Canada.

Motion agreed to and bill read third time and passed.

NEWFOUNDLAND FISHERIES LAWS REPEAL BILL

THIRD READING

Hon. John G. Higgins moved the third reading of Bill S-3, to repeal certain fisheries laws of Newfoundland.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-196, for the relief of David Byrne Kieran.

Bill SD-197, for the relief of Nina Finkelstein Anshell.

Bill SD-198, for the relief of Joseph Leo Roger Latendresse.

Bill SD-199, for the relief of Norma Rosalie Parsons Turgeon.

Bill SD-200, for the relief of Maria Reichinger Lehnen.

Bill SD-201, for the relief of Marie Cecile Leda Vezeau Leger. (Annulment).

Bill SD-202, for the relief of Rose Mary Dubeau Pietrinferno.

Bill SD-203, for the relief of Daniel Edward Napasney.

Bill SD-204, for the relief of Pauline Mary Ann Irene Patry Gaudreau.

Bill SD-205, for the relief of Rose Ella Katherelos Parry.

Bill SD-206, for the relief of Gwendolyn Marion Mizener Nassif.

Bill SD-207, for the relief of Joseph Ernest Coutu.

Bill SD-208, for the relief of Joseph Henri Berube.

Bill SD-209, for the relief of Maria Hocheder Weber.

Bill SD-210, for the relief of Sherrill Oridge Glandsdorp.

Bill SD-211, for the relief of Bronislaw Kulawik.

Bill SD-212, for the relief of Pauline Sornin Barrett.

Bill SD-213, for the relief of Sandra Maxine Shoore Sheydwasser.

Bill SD-214, for the relief of Margaret Maclaren Harris.

Bill SD-215, for the relief of Irmgard Poikonen Horvath.

Bill SD-216, for the relief of Estelle Labelle Baxter Robertson.

Bill SD-217, for the relief of Alphonse Yared.

Bill SD-218, for the relief of Andre Lamothe.

Bill SD-219, for the relief of Rita Hamel Labranche.

Bill SD-220, for the relief of Lionel Boucher.

Bill SD-221, for the relief of Eliza Boudreau Filion.

Bill SD-222, for the relief of William Leslie Baillie.

Bill SD-223, for the relief of Pauline Handji Edelstein.

Bill SD-224, for the relief of Molly Brenda Stein Butterman.

Bill SD-225, for the relief of Laurette Biron Valade.

Motion agreed to and bills read third time and passed, on division.

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

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

Hon. Stanley S. McKeen: Honourable senators, in rising to take part in this debate I would like first to compliment the mover and seconder of this motion. I also wish to congratulate them on their appointment to this chamber. I would offer my congratulations also to the other new senator, the honourable lady from Lisgar (Hon. Mrs. Irvine). Membership in the Senate provides them with a great opportunity to serve this country, and they have started out well in their first speeches here. Other honourable members who have participated in this debate have shown our new colleagues the interest which senators take in the business of this country.

I had not intended to take part in this debate until I felt prompted to do so by the senator from Southern New Brunswick (Hon. Mr. McLean), who apparently prompted also the senator from Northumberland-Miramichi (Hon. Mr. Burchill) to speak here yesterday afternoon. I think his speech will be of as great interest to the country as it was to the senators, for it touched on vital parts of our economic industry. This afternoon I wish to add to what has been said, because in the west—not only in British Columbia, but I think in all the western provinces—we are particularly concerned with the export trade of Canada. It is our export trade that has been building up industries and making them flourish and providing employment. We in British Columbia, like the people in New Brunswick, started our industry out of the woods—out of timber—and I believe today it is still the largest industry in British Columbia. At first the forest industry was just sawn lumber. Today it includes pulp and paper, plywood, and many other products of the forest. It provides the greatest amount of employment in the province.

In Canada, it is generally conceded, export trade amounts to about 30 per cent of the total, and domestic trade to about 70 per cent. In British Columbia—and I think in the Prairies too, and possibly also in New Brunswick—you can turn those figures right upside down. Our export trade in British Columbia is about 70 per cent of the province's total trade, and our domestic trade is 30 per cent. In fact, our export trade may go a little higher than 70 per cent, considering that the national average for exports is 30 per cent, although Ontario and Quebec are not big exporting provinces. The fact that Canada is losing its position in export trade is of vital concern to these provinces in the export business. There was a time when Canada's exports put her in third position in world trade. Now we are down to sixth or seventh position. During the past year I believe we have been passed even by Japan. One of the reasons given is high production costs in Canada.

A British Columbia member of the House of Commons went abroad on a trip for the Government and visited many countries. When he came back, although he was a socialist and maintained that he would continue to be one, he said that the high cost of labour in Canada was one of the causes of our high production costs and one of the factors in shutting us out of foreign markets. With that he also included, as I think we must, the high cost of taxation. By taxation I do not mean federal taxation alone, but taxation at all levels, municipal, provincial and federal, because it is a considerable cost to all industry.

It is also said that another cause of our high production costs is high profits in business. When such a charge is made, all three groups, labour, government and business, will deny it emphatically. Labour will tell you they are asking for a fair share of the profits of business, but are not getting it. That is a question that gives rise to argument during every negotiation. Governments will tell you that their costs are up because the electors are asking for more and more all the time. It is not that the Government by itself is spending the money, but the people are demanding more and more services. Business says that the high price of borrowing money today and the high taxes and labour costs compel it to increase its prices, and as it increases its prices labour wants more wages. Similarly, the Government wants more taxes. So there is a spiral among the three groups, all of whom are asking for more.

Hon. Mr. Roebuck: May I ask the honourable senator a question? Does he entirely overlook the fantastic land values?

Hon. Mr. McKeen: No, I do not entirely overlook land values. They are one of the costs of production today. In our province the high cost of timber is another factor, but in that case the Government is selling timber. I grant you it is getting a great deal of that profit, although there are private firms too which are making a profit out of timber, which they have carried and paid taxes on for many years.

I wish to refer also to our exchange problem. Today there is a premium on the Canadian dollar of 5½ per cent, which in effect subsidizes all imports into Canada and puts a tariff or an export tax on all goods going out of Canada. Our good senator from Northumberland-Miramichi (Hon. Mr. Burchill) said last evening that it amounted to $1½ billion in the forest industry alone. When it is realized that $1½ billion represents $750 million of taxation to the Government, it can be seen where we are losing money, not only through business, but by reason of the fact that the Government lacks that revenue. I think that $750 million would have been very welcome to the Department of Finance last year. I understand that the average discount on the U.S. dollar last year was 3½ per cent. It is now approximately 5½ per cent. Unless it goes down drastically during the remainder of the year we are going to be in a worse position than ever and will be priced out of the market altogether, because that 5½ per cent discount means that the American selling goods to Great Britain or to any other country will have an advantage in the market of 5½ per cent over the Canadian producer. I might point out that the United Kingdom lumber market, at least as far as British Columbia lumber is concerned, has gone away down. The U.S.S.R. has gone into that market and cut the prices of lumber, so the bulk of the lumber being shipped to Britain now comes from Russia, not from British Columbia.

Hon. Mr. Haig: May I ask a question? What does the honourable senator suggest is the cure for that 5½ per cent premium on Canadian money?

Hon. Mr. McKeen: I am sorry I haven't got the answer to that. However, I think the Department of Finance should give the matter very serious consideration. Whether or not there is a logical answer, whether the cost of eliminating the premium will be too high, I am not in a position to say; but the problem is a serious one which is causing and will cause unemployment in this country, and the shutting down of more industries, if it not solved. There is one way to solve it, of course, and that is by

means of a stabilization program. I do not say that I am advocating a stabilization program, but my honourable friend asked if there were ways of doing away with the premium, and I am suggesting this as one way.

If the Government could supply buyers abroad with Canadian dollars, they could finance the supply of money for municipalities and provinces in Canadian funds, and thus take them out of the American money market.

One of the causes of this high rate of exchange is that our municipalities, cities and businesses are going to New York to borrow. When they borrow, say, $100 million they have to buy Canadian dollars for use in Canada, and that has the effect of sending the Canadian dollar to a premium.

Ordinarily, our imports are greater than our exports, and in that case the Canadian dollar will go down, because you have to get United States dollars to pay out, but when the reverse is true you would expect it to balance itself. We now have a deficit in our export trade, yet our money is at a premium. The reason for that paradox is that we have so much investment capital coming into Canada it more than offsets the deficit in our trade balance.

Hon. Mr. Haig: Pardon me a moment. How are you going to stop that? That is what I cannot figure out.

Hon. Mr. Roebuck: They do not want to stop it.

Hon. Mr. McKeen: I am afraid there are wiser men than I who have not been able to figure it out. I am simply mentioning some of the problems that we face and that need to be solved.

In the old days, when we were on the gold standard, when the exchange rate went down all that happened was that we went and got gold and transferred it from one country to the other, and kept the exchange within the cost of shipping gold from one country to the other; but once we went off the gold standard we ceased to have that control of the fluctuations.

I am not suggesting that we go back to what we did in the war and put a fixed valuation on our dollar, and I am not suggesting a devaluation of the Canadian dollar. I do not think that is the answer.

Hon. Mr. Robertson: Is there not devaluation?

Hon. Mr. McKeen: Well, there is a devaluation in effect when the purchasing power of our dollar goes down, but it is not in the field that is commonly known as devaluation as between countries where one devalues its money for purchase by another country, and the Government sets a rate. If, for instance, the American dollar would buy $2 in Canadian currency, that would be a type of devaluation, but when your Canadian dollar will buy only half the quantity today than it did formerly, we say the dollar is devalued to the extent of 50 per cent. The prices of a great number of products today are such that your dollar will buy only what 50 cents would buy thirty years ago. That is a devaluation that comes about by inflation, and I think if we bring in some of these controls we may find runaway inflation.

Hon. Mr. Pearson: Does the honourable senator suggest that the gold standard as used previously should be used at this time?

Hon. Mr. McKeen: I think the trading nations of the world have not got gold enough to do it. If they had, I'd be all for it. If it could be done, we in Canada at the present time would be receiving gold. The United States is supposed to have $19 billion worth of gold, and that country is not doing it. If the United States would ship its gold here and keep its money at par, that would be most advantageous for Canada. But I do not think we can tell the United States to do that.

Reference has been made to labour union officers who promise their members more and more in order to get elected. They promise that if elected to be officers of the union they will get the workers higher wages, more fringe benefits, more holidays and other benefits, and when they are elected they are pretty well forced to try to do that, so they attempt it. If they do not succeed the members will say, "Well, we are going to get somebody else". So, in order to prove to the union that what they promised was obtainable, they call a strike, and then everybody loses—labour loses, the business they call the strike against loses, and the general public loses.

In British Columbia we have gone through a strike that turned out to be very expensive. We had a three-month strike in the forest industry and I venture to say that the men who were on strike will never recover the money they lost during that strike, and I do not think that the community will make up the money that was lost during that time. We cannot blame the union leaders, for they are not the only ones who do that. I think we who have been politicians in our day have also been guilty of making promises to the electors of what we were going to do when we were elected, and I don't think anyone who seeks election is free from that. All politicians have done it, every one, and once they have got into power they are then met by the promises they

made, so they start to raise this, that and something else, and the electors keep pressing for higher benefits.

Hon. Mr. Macdonald: I cannot plead guilty to that charge.

Hon. Mr. McKeen: Well, I do not know whether you can or not, but if not maybe it was because you did not have to offer anything more. I think there are very few who have not offered more when they were trying to get elected, so we cannot say that the union people are doing anything more than the politicians have been doing. I think there is an even break on that score. Nevertheless, both groups have endeavoured to do that very thing and have raised the cost of living in the process.

I want to point out today some of the disadvantages of the control of Canadian industry by United States capital.

Some of us think that maybe we want more initiative left to the individual and have him invest his own savings rather than take more money from him and look after him in his later years. That is a matter open to question which I am not going to debate this afternoon.

In Canada our early pioneers came from France, Great Britain and other points on the continent and they started to open up this country, and, as in the province of New Brunswick, they started to cut down trees and use the lumber for building ships and houses and things like that. They needed capital to build saw mills and other things, and they got their capital from Great Britain. We on the west coast also got our capital principally from Great Britain.

Probably at that time the United States was also getting its capital from Great Britain. But a great amount of that risk capital which was invested by Great Britain, and which it continued to invest, slowed down at the time of the First World War. Then we started to get some capital from other countries, and at the time of the Second World War it started to flow the other way, as a lot of the money that had been invested in Canada went back to the Old Country, and the slack was taken up by the United States.

In 1939 the United States bought 40 per cent of Canada's exports and supplied us with 66 per cent of our imports.

At that time Great Britain was buying 36 per cent and exporting to us 15 per cent. By 1957, some 18 years later, the United States was buying 60 per cent of Canadian exports and providing almost 75 per cent of our imports, while the share of Great Britain had fallen to 17 and 9 per cent, respectively.

Before World War II non-resident ownership represented about 38 per cent of the money in Canadian industry and commerce. By 1954 the ratio had fallen to 32 per cent. In the period 1946-54 savings by Canadian citizens were large enough to finance all but 6 per cent of the investment in Canada, but they did not invest. Canadians during that period invested about $1¼ billion in other countries, which added to the already heavy investment they had abroad.

After this period, when we stopped getting money from Great Britain, we went to the United States for most of our capital. Although Canadians had invested more money in their own debt than foreign capital, there was direct investment from the United States in particular industries until they controlled those industries. The influence of the United States on the accelerated growth in some of these industries was very marked. American investment was directed to industries that would supply raw material and semi-finished material to United States factories.

This impact on the finances of Canada was one of the dominant effects of American investment. The overall dependence of our finances was not so great, but the dependence in certain lines of industry was very great.

Our Canadian investment increased and pretty well met our financial needs in agriculture, utilities, institutional services, housing, and Government. In those respects the financing was predominantly done by Canadians. But just recently provincial and municipal Governments have gone into the American financial markets, which is one of the factors that have affected the exchange rate. The American dollar has suffered a discount by reason of this American money coming into Canada. This is not a healthy condition, because the day will come when the exchange rate will reverse itself and we may well have to face a heavy discount on the Canadian dollar, such as we had during the last war.

The book value of the total foreign investment in Canadian industry during the years 1900 to 1957 increased to approximately $17,100 million.

Hon. Mr. Macdonald: That is just the increase?

Hon. Mr. McKeen: That is the increase. In 1900 the foreign investment in Canadian industry amounted to $1.2 billion.

As I mentioned, the investment of American capital in Canada has been very selective. The biggest investment, I think, is in the petroleum industry, although there is heavy investment in the pulp and paper industry as well. The Americans also have practically complete control of our automobile and rubber industry. The domination

by the United States in these two industries has an effect on Canada which I think is detrimental to our interests in some respects because there is restriction on exports from Canadian plants which are subsidiaries of American plants.

I want to make quite clear that I am not against foreign capital coming into Canada. I think we need the capital to open up this country. If Canadians are not going to invest their money in the equity or risk capital required to develop this country's natural resources, those resources will not produce any jobs or pay taxes. If foreign capital is willing to come in and develop the country, I am in favour of it. At the same time I wish to point out the disadvantage connected with it, namely, that the exports of Canadian subsidiaries of foreign companies are restricted. The parent company will not export from a subsidiary company unless it is advantageous to do so because of a tariff arrangement with another commonwealth country, or for some other reason that makes it advantageous to export from Canada.

We had a case in Canada about a year and a half ago of a Canadian factory, a subsidiary of an American company, wishing to export automobiles to China. The American parent company did not want this done, because it would contravene an American law. This interference was objected to by the present Prime Minister, but the automobiles were not exported.

A change in trading arrangements is now taking place in Europe, where the Outer Seven and Inner Six are forming themselves into a group. Companies who want to take advantage of the tariff barrier should establish factories within that area. Of course, Canadian factories that are subsidiaries of American companies do not have the opportunity of doing so, but American factories have already been set up in the area. That arrangement is having an adverse affect on Canadian factories.

I am not against Canadian factories, nor American factories, being established in a foreign country, but the disturbing feature is that we are getting imports from Europe, including automobiles. Last year we imported from Europe 26 per cent of the automobiles sold in Canada. That percentage represented the increase in automobiles sold; I think the production here remained practically static.

We have to import into Canada as well as export to other countries, because the export business is not a one-way street. What is disturbing is to find an American company building a factory on the continent, and then exporting the product of that factory into Canada and selling it here to the detriment of Canadian workmen. I think that sticks out as one of the effects of United States domination of Canadian industry.

We have other cases. There is the pulp and paper industry, for example. To build up our primary industry we must build up our secondary industries. We have a lot of natural resources here. Every country, when it commences business, starts by exporting its raw materials. England started in that way, the United States started in that way, and so did we; but there comes a day when you try to develop your own secondary industries and take your production beyond that of just raw materials.

The pulp and paper industry was first established in the United States. They cut most of their own pulp timber there, and afterwards they came up to Canada and started getting their pulpwood here. There are certain things we could have done. We had practically a monopoly on it, and we could have charged more money for our pulpwood, but the Government felt it would be better to develop the industry here. That particular industry needs a lot of cheap hydro-electric power, which we had, and we also had the raw material. They resisted the building of their factories up here. However, in 1891 the Government of British Columbia prohibited the export of timber cut from Crown grant lands. That was the first move. In 1900 the Government of Quebec imposed what was, in effect, an export duty, but the fee was reduced approximately one-third if the pulpwood was processed in Quebec. Ontario followed in 1902 by prohibiting the export of pulpwood.

In 1909 the United States offered to reduce the tariff on low-grade papers coming into the United States if the provinces would cut out their prohibition of export of raw material. The provinces did not agree to that, so the United States put a duty of $2 a ton on Canadian paper. This duty was immediately passed on by the newsprint companies here to the newspapers in the American states who were buying the paper. Enough pressure was brought on Congress to have this repealed. In 1913 the Underwood tariff repealed the duty on newsprint, or paper with a value of less than 2½ cents a pound. Since that day we have had free entry of newsprint into the United States, although there still is a substantial tariff on finished papers—fine papers or coated papers; in fact, it is so high that it keeps that class of paper out of the country. Because of that we do not have the plants there. That is one industry in which we

have had a hard fight all the way along, but we did finally establish a secondary industry.

We have another example in the coasting trade. Being in this business, I know something about it. It may surprise you, honourable senators, to know that it is an advantage for a Canadian citizen in the coasting trade to become an American citizen, because he then can engage in the coasting trade in the United States and in Canada. We allow Americans to come up to Canada and engage in our business. They are doing it and have done it for years. They can form a Canadian corporation which is owned 100 per cent by Americans, and can operate on our coasts; but a Canadian in the United States cannot own more than 25 per cent of a shipping company there, and even at that he can have no hand in the management of the company. That is very much of a great disadvantage to us, especially on the west coast. Some changes will occur because of the coming into being of the State of Alaska, but they will apply to the Alaskan trade only. I think that the thing should be on a reciprocal basis. I do not care whether or not Americans can incorporate a Canadian company to engage in that trade, but whatever they can do I feel we should also be able to do.

Another fight we had in Canada with respect to our raw materials had to do with nickel. That is a very interesting story. Nickel was discovered in the Sudbury basin in 1883, and there was extensive exploitation of it in that year. That was the year when nickel began to be used as an alloy for armour plate. The nickel was refined by the Orford Company of Ohio, an American company. A drive was put on by the Canadian Government to start refineries in Canada, but it was resisted. One of the claims was that the Canadian company —it was Canadian Copper, which later amalgamated with the Orford Company—could not have refineries here because it did not have the process for refining, and the Orford Company in the United States, which was closely affiliated with it, had a refinery. That fight went on for quite a while, but got nowhere. Then in 1900 the nickel company put pressure on Congress to have the duty on ore or matte cut off, but the duty on refined nickel left on. That was done at that time by the McKinley Tariff. That pretty well cut out importation from other countries, because Canada was the closest source to them. Finally they got 100 per cent of the American market. Then in 1913 they built a second factory or refinery, not in Canada, but in New Jersey. I think that was a mistake, because if there was anything they could have done to stir up the Canadian people, that was it. In 1913 the pressure became very great. Canada, in the meantime, had passed a law to put a 10-cent duty on this nickel, but it was never proclaimed.

The Province of Ontario then tried to get Parliament to proclaim it, but it would not do this. So the Ontario Legislature passed a law which put a licence fee on the amount of ore mined, but the fee was to be refunded if the ore was refined in Canada. That act was never proclaimed. The story was that if the province did proclaim it the company would close down the Sudbury mines.

Then the war intervened, and the rumour went around that the United States was shipping nickel to Germany. Specific charges were made that on two voyages the submarine *Deutschland* had taken Canadian nickel to Germany. Both the Canadian Government and the Ontario Government appointed boards of inquiry, and in the face of a possible expropriation of the mine and a subsidized refinery for the ore the company yielded. At that time there was also a new electrolytic process developed for refining ore. They did not need chemicals. They needed cheap power. So in the face of this the company capitulated and built a refinery at Port Colborne and started refining in Canada. That was another fight that proved successful after many years. It illustrates that you have to fight foreign investment controls when their interests run contrary to Canadian interests. I am in favour of capital coming in if we do not have it ourselves, but it is a shame that our own people will not risk more of their own capital in our natural resources by buying equity stock rather than bonds and debentures.

As to the oil and gas business, the first well was brought in at Black Creek, Ontario, a year before the first Drake well was discovered in Pennsylvania. However, as honourable senators are aware, the oil business in the United States went ahead by leaps and bounds, whereas the industry in Canada almost wilted on the vine. We discovered gas in Medicine Hat in 1890 and oil in the Turner Valley in 1914. That oil could be taken right from the well and put in an automobile and it would run. It was straight gasoline. I must confess it was not good for the engine, but it would run on it.

Hon. Mr. Aseltine: It had a bad smell.

Hon. Mr. McKeen: Yes. It was called wet gas, and without being processed it could run a car engine. In any event, this is one of the industries the United States has really gone to town on, and I venture to say that of all foreign investment in the Canadian oil industry today the Americans have 90 per cent.

In 1956 the total investment in mining, smelting, petroleum exploration and development, was 66 per cent non-resident, of which the United States' share was almost 75 per cent, whereas in 1926 their share was only 38 per cent. The latest figures available indicate that American investment in the oil industry in Canada totals approximately $1,144 million. Only today the Senate passed a private bill giving an American pipe line company power to transport some of its oil through Canada—and there is a suspicion that it might even be distributed here.

I think I have given the house quite a few examples of Canadian industries that are controlled by Americans, and I have illustrated that their interests are not identical with ours. It is rather important, therefore, that we endeavour to gain as much control of these industries as we can.

One thing that helped start our nickel industry and our pulp industry was the electric power which was available in Ontario and Quebec. Companies operating in these industries—and the same is true of the aluminum industry—will locate where they can get cheap power. This is also true of the development of similar industries in the northwestern states of Washington, Oregon, Utah, and Idaho. They have been able to get cheap hydro-electric power from developments at the Grand Coulee Dam and Bonneville. Power has been cheap because a lot of the cost of constructing the dams was charged against reclamation. That was in the time of President Roosevelt, when they had a big reclamation scheme and much of the cost was charged against flood control and irrigation, so that the ultimate cost of power has been quite cheap. That development brought in industries.

In British Columbia we have the chance of developing the Columbia River to create a big power supply. We have the Peace River Power Development Company in the Peace River, and developments on the Homathko River, Olsen Creek, and the Clearwater River. The plans for those projects are now on the drawing board and if they are followed through the result will be a great development of the natural resources of British Columbia. A large plant on the Columbia River would be developed by the United States in cooperation with our federal Government and the Government of British Columbia. The power would be highly beneficial to the southern area of British Columbia and possibly a part of Alberta. The grid they have connects all those northwestern states I have mentioned and also southern British Columbia. They trade power back and forth, and it is interesting to know that they actually store electricity. When I first heard this I thought it was rather strange. I believed you could only store electricity in the form of batteries, but I found out it can also be done by storing water in reservoirs. I know something about this, for I happen to be a director of the Peace River Power Development Company, and I have learned a great deal about power in that area.

This is what happens. The plants are all interconnecting, and if you have a plant and a reservoir which is not full and I have one that is overflowing, I will call your plant and say: "My dam is overflowing. If you will shut your power plant down I will run mine to full capacity and supply you with all the power you require for your customers. You can store the water in your dam, and when my power is down you can wheel the power back to me." I think there is a charge of one mill per kilowatt made for storing. The trouble is that in the northwestern states this storage scheme can only be carried on for a twelve-month period, for in March of each year all dams are filled to capacity and one dam will not store water for another at that time.

Today the B.C. Electric Company, which supplies power to the lower mainland, is building a thermal power plant with an immediate capacity of 300,000 horsepower and an ultimate capacity of 900,000 horsepower. Some time ago it opened up one in Port Mann which produces 100,000 horsepower. That will illustrate the shortage of power. However, the company is not actually short all the time, but only in the peak periods, and it can sell more firm power with the added plants. The Peace River Power Development Company has a reservoir covering some 900 square miles. It is in the form of a "T", the top bar of the "T" being 200 miles long and the stem 60 miles long. It has a storage capacity of 88 million acre feet in that area, which is more than six times the Grand Coulee dam reserve, five times that of the proposed Mica Creek on the Columbia River, and more than all of the reserve of British Columbia and the Northwest states at the present time. That storage of water will help the lower mainland as well. It will take from seven to ten years for that reservoir to fill. We do not often have a drought in British Columbia—in fact, we get a lot of rain—but we could withstand three or four years of drought and not reduce the Peace River power.

Hon. Mr. Aseltine: Have they found a way of transmitting the electricity yet? It seems to me that I read somewhere that the proper way of doing it had not yet been found.

Hon. Mr. McKeen: They are doing it now in both Sweden and Russia. To take it to Vancouver would be 600 miles, but to take it

to Prince George would be only 60 miles. This thing is developed in the north country as well in the lower mainland. It is claimed that the power going down the trench, that is, 600 miles, will not be more expensive than going the 300 miles, where you have to go over three mountain ranges. The upkeep of facilities would be far greater over the mountain ranges than down the trench. They transmit that power at 600,000 volts. The higher voltage allows them to take it a greater distance. Another advantage is that the total potential of this is about five million horsepower in the Peace River in British Columbia, but there are also downstream benefits, and those benefits are in Alberta. The benefits are flood control and the development of power on the river through Alberta. Another added bonus is in the Mackenzie River, which is fed by the Peace River out of the lakes there. During the flooding period there is water for navigation, but by controlling that there would be a longer period of navigation on the Mackenzie River, which runs out to the Arctic Ocean.

I suggest that if we are looking for exports, one export we can make which does not take anything away from our resources is hydro-electric power. Once a hydro-electric power plant is installed it can be developed to its full point. Take the Peace River power, for instance. The first unit could produce 800,000 to 1,000,000 horsepower, and that could be used in British Columbia. No export is needed for that. In connection with the Columbia River, I believe a deal has been made that if and when power is developed it will be sold to the American side, but as it is, we cannot export any power to the American side.

Hon. Mr. Pearson: If you start exporting electric power to a clientele in the United States, how would you eventually get the use of it yourself? Would you cut off those users?

Hon. Mr. McKeen: Well, this would be surplus for about 25 years. They would have to build a thermal plant—which they are doing today in the northwestern states—to take care of the surplus requirements. The British Columbia Power Company is doing that through the Power Commission in British Columbia. In some places they are putting in diesel power, which is very expensive. They believe that within 25 years they will have nuclear power. If we can get into this business early, it must be remembered that within thirty-five or forty years a hydro-electric plant can be paid off, and that if nuclear power comes in within about thirty years the capital cost will be wiped off. Therefore, the cost of power is going to be away down. Once the capital cost is paid off, all that has to be done is to keep the turbines going; you have to see that rain and snow are held, otherwise the water will flow out to the ocean. It is the only power that does not deplete the resources of the country, and peculiarly enough it is the only energy that is not controlled by American capital.

Hon. Mr. Horner: Who would control the Peace river? What about Wenner-Gren? What part of that would he own?

Hon. Mr. McKeen: That would depend who put up the money for the plant. They will have to raise $350 million for the plant, and at the present time the shareholders in this company are Canadian, English and Continental. The company at the present time has spent about $5 million, and will possibly spend another $2 million before it knows whether it is going to have a power company or not, because it has to apply to the provincial Government for the water rights. It must apply for a hearing, and anyone else can apply at the same time.

Hon. Mr. Macdonald: Is it a provincial board?

Hon. Mr. McKeen: Yes, it is a provincial board—a provincial water board and a provincial utilities board.

Hon. Mr. Macdonald: Does the matter eventually come to the National Energy Board?

Hon. Mr. McKeen: I do not think so; but if they are going to export power they will have to go to the National Energy Board. I think they would have to apply to the Government under the Navigable Waters Protection branch, because the Peace River is, in parts, a navigable stream; but there are no commercial fish there.

Hon. Mr. Horner: But is it not true that immense resources other than power have been granted?

Hon. Mr. McKeen: No, they have not been granted to anyone yet. They have an immense area which is covered by a Government reserve and some three or four years have been spent in surveying it. A lot of people would have gone back and homesteaded that land, and if and when the company started to go ahead it would have to buy these people off. But nothing has been granted to anyone. That is a misconception. What they did do was to put a reserve on there and let them go ahead and survey. The survey must be, and was, turned over to the provincial Government. After it is in, they can apply. But they were not given anything at the start. Of course, that survey is going to be an advantage to them,

for when an application is in they are going to be in a far better position than somebody who has not got the survey.

Hon. Mr. Horner: I understood that as part of the agreement they undertook to spend $5 million, and that they would then receive the right from the Government.

Hon. Mr. McKeen: I think they agreed to spend $5 million; but whatever the amount was, they put up $500,000 deposit as a guarantee that they would do this surveying and turn the survey over to the Government; then they could apply for any land or minerals or anything else they wanted in the area.

They planned a power development which was taken over by a group composed of the following: The Associated Electrical Industries, Ltd., of London; the British Insulated Callender's Cables Company of London; Canadian Utilities Limited, of Edmonton; Norman R. Whittall, Limited, a brokerage house in Vancouver; Close Bros. Ltd., a brokerage house in London; John Laing and Son Limited, of London; Power Securities Corporation Ld., of London; Taylor Woodrow (Overseas) Construction Ltd., of London; Wenner-Gren B.C. Development Limited; Bernard Gore Ltd., of London; Hy. Ansbascher & Co. of London; Western Development and Power Limited, Vancouver; Wood, Gundy & Co. Ltd.; and Nesbitt, Thomson & Co. Ltd. The Wenner-Gren B.C. Development Company are the largest shareholders.

Up to now there are only a few million dollars in the treasury, but $350 million will have to be subscribed for the first step, if this goes ahead, and then the Wenner-Gren Company will not be the predominant shareholders. The ultimate development will cost in the neighborhood of $800 million to $1 billion.

Hon. Mr. Buchanan: Does that group have enough shares to control the company?

Hon. Mr. McKeen: At the present time they have enough to control the company though they do not control the board.

Hon. Mr. Thorvaldson: In regard to Wenner-Gren and his associates spending $5 million for this exclusive reserve for the purpose of surveying it, would the honourable senator say what Wenner-Gren was supposed to get in return for that? Was he supposed to get some benefits or privileges as against other applicants?

Hon. Mr. McKeen: In the first place, of the $5 million spent on this particular development Wenner-Gren, I think, spent $2.7 million. He felt that there was a sizeable power development there and turned it over to these other people who joined with him to see if they could advance the project, and they have spent the $5 million.

He is continuing to spend in regard to a railroad, which has nothing at all to do with the power development, and also on some mining properties. All he is getting is the right to go in there to do this survey work and keep the land clear so that if he makes an application to develop the power he will not then be called upon to pay off a lot of people who are established in there. But he has no title to anything yet.

Hon. Mr. Thorvaldson: Does he get no benefits at all?

Hon. Mr. McKeen: Certainly he gets a benefit. He gets the benefit of being able to go in there and make all these surveys and then of being in a preferred position because he will know all about this property. When he is ready to put in a bid he will know what he wants and he can put in an appropriate bid.

The same thing applies to the power development group. They have made an engineering report, they have looked at all possible sites, they have picked the one they want, and they are now in a position to call for tenders for work on that project within six months.

Hon. Mr. Roebuck: Can the honourable senator tell us how long these preferred rights will last?

Hon. Mr. McKeen: I do not know, but so far as the water rights are concerned the report had to be in by the 31st of December, 1959. It was put in by that date and is now being considered by the water rights branch. I do not know how long the Government will take to deal with it.

Hon. Mr. Thorvaldson: During the period Wenner Gren had the right to go into this reserve were other prospectors for mineral properties excluded from this property or not?

Hon. Mr. McKeen: I believe they have been. That is the advantage that the company has. I think all survey work was prohibited when this reserve was put on that area.

Hon. Mr. Buchanan: Does it not have the exclusive right of prospecting a certain area for a certain number of years? Is that not part of the agreement?

Hon. Mr. McKeen: I think that is so, but I am not clear on that. I have no knowledge about the Wenner-Gren B.C. Development

Company or any other projects. The only company I happen to be a director of is the power development company.

If there are any other questions I shall be glad to answer them, if I can.

One thing about this development is that there will be a big effort to get industries to locate up there. A delegation from Elliot Lake came to Ottawa because of the shutdown of the uranium mines. To make enriched uranium they need a lot of cheap power, and Peace River is a possible site. That won't solve the Elliot Lake problem today, because the power won't be available until 1968 in any event. If it gets started in the spring, the first power will be delivered probably in 1968.

But there are other industries which might be interested. A tire company made a survey and explored the possibility of locating in the Peace River country near Fort St. John, because there is a lot of sulphur and oil there, besides this power to be developed. That was one of the larger American companies. There are other projects. Two or three pulp mills are envisaged, because there is a lot of pulp timber in that country.

We feel that if the company gets the right to develop this power the same thing will happen there as happened in the northwestern United States where large industries, notably the aluminum industry, settled and developed that area. There are many resources up there—in fact there is hardly a resource you can mention that is not in that area.

Hon. Mr. Macdonald: You mentioned a period of eight years before power can be delivered. Does that mean the time for construction only or does that include the time to raise the finances?

Hon. Mr. McKeen: They will be ready to go ahead if they get the authority in the spring, and it will be 1968 before power can be sent out over the transmission lines. They have gone right ahead with the financing simultaneously with other development, their engineering and so forth, and they consider that they are well ahead as far as that is concerned. They have not got the money, but they apparently will have no trouble in raising it. As a matter of fact it looks as if maybe they would take no money from American interests. There is no American capital in there yet, and there is nobody representing American capital in the set-up.

The interesting thing is that this is one industry the Americans have not control of. You can cross this country and, aside from the few power companies associated with pulp and paper companies, they are not in the hydro-electric business. I may say that I welcome any foreign capital, particularly British capital, as profits from this project would supply Great Britain with dollars for Canadian purchases. I say this because I think perhaps Britain's interests and ours may lie a little closer together and not be so competitive, as nearly every product we have for export the Americans also have, and we are competing with them all the time. One example is wheat. Another is uranium; we are now shut out because of the production of uranium in the United States.

Honourable senators, I have taken much more time than I had intended. Let me conclude by making clear that I am in favour of the investment of foreign capital in Canada because I think it is required to build up our country. But I also want to encourage Canadians to participate in the equity financing of our natural resources. We as a country can gain far more by having Canadians participate in equity financing in Canada than by doing as they have over the past ten years, investing $1-1¼ billion outside Canada. Had that money been invested in Canada it would have almost taken care of the total investment of American capital in our oil industry today. Perhaps we do not have the know-how that the Americans have, but we are in a position to help ourselves. The more Canadians invest at home, particularly in secondary industries, the more jobs and the more prosperity we will have. In that way we will be a truly prosperous country and will own our own birthright.

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

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

THE SENATE

Tuesday, March 8, 1960

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

Prayers.

APPROPRIATION BILL NO. 1

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-51, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

Bill read first time.

MOTION FOR SECOND READING—DEBATE ADJOURNED

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

Hon. W. M. Aseltine: With leave, I move that the bill be read the second time now.

Honourable senators, this Bill C-51, which has just come to us from the other place, has to do with certain supplementary estimates for the fiscal year 1959-60, in the sum of $32,360,511. I have looked over the bill carefully, and find that it is in the usual form for bills of this kind. The supplementary estimates are set out in a schedule to the bill. These supplementaries, of which honourable senators have had copies in their possession for some time, were first considered in the other place on February 5 last, and were under consideration there on and off from that time until they were finally passed yesterday.

Honourable senators, I propose to deal briefly with each vote, if that is satisfactory to the house. When I conclude my explanation of each vote, I shall be glad to answer any questions that I can; and when I am through with the bill I presume that honourable senators who want to make any general or specific remarks will have plenty of time to do so.

The first vote is No. 611. This vote is to provide for payment of compensation, under the Animal Contagious Diseases Act and Regulations, for animals slaughtered in connection with the control and eradication of contagious diseases. This supplementary estimate is required to cover increased brucellosis compensation payments due to increased testing, and increased scrapie compensation payments resulting from the new scrapie eradication program announced last August. In the main estimates for 1959-60 $1,500,000 was provided. The supplementary estimate is for $830,000, which would make the total required for 1959-60 $2,330,000.

Hon. Mr. Roebuck: May I ask the honourable senator if the rabies infection that has been going on in Ontario has anything to do with the increased amount?

Hon. Mr. Aseltine: No, not as far as I know.

I come now to Vote 612. The purpose of this vote is to provide freight assistance on the movement of feed grains from the Prairie provinces to British Columbia and eastern Canada. Originally $20 million was set aside in the 1959-60 estimates for this purpose, but last July, just before Parliament prorogued, an additional sum of $1 million was added on account of the 17 per cent increase in freight rates. In the first five months of the fiscal year monthly payments represented increased tonnage of 32,000 tons per month over 1958, and it appeared that freight assistance would be required on 3,100,000 tons for 1959-60. However, after the first five months the volume dropped somewhat, and a figure of 3 million tons appears to be a more accurate estimate. The cost on the 3 million tons, it is estimated, will be $24,500,000, of which $21 million has already been voted, so there is required this supplementary vote of $3,500,000. I could give the figures for each province, but I do not presume honourable senators wish me to go into that much detail. At any rate, this item is to cover assistance on the shipping of feed grains from the Prairie provinces to British Columbia and to all the eastern provinces so that they can secure for the fattening of their animals at reduced cost.

I will deal next with Vote 613. Honourable senators are no doubt aware of the fact that because of the abnormal and unseasonable snow storms in western Canada last fall, many thousands of farmers were unable to harvest their crop. The Government, in order to provide some compensation for the farmers who suffered misfortune, offered to share on a 50-50 basis with the three Prairie provinces in a scheme of assistance, subject to Parliament's voting the necessary money. The basic provisions, which are conditions of federal assistance, are as follows: Farmers would not qualify unless at least 50 per cent of their cereal crops were unharvested, and would then benefit only to a limited extent, the maximum benefit being $3 per acre on a maximum unharvested acreage of 200 acres. For other crops the benefit is limited to a maximum of $600 per farm. Within these limitations

the different provinces—that is, Manitoba, Saskatchewan and Alberta—developed their own specific programs, which are entirely provincial and are administered by the provinces themselves. In Manitoba they worked out a scheme which is different from the scheme in Saskatchewan, and in Saskatchewan they worked out a scheme which is a little different from that in Alberta. I do not know whether honourable senators will want me to go into those three schemes and differentiate between them.

Hon. Mr. Reid: Did the provincial Governments contribute 50 per cent?

Hon. Mr. Aseltine: Yes, 50 per cent. It is estimated that the total amount of the federal Government's contributions will be $6 million.

Hon. Mr. Wall: May I ask a question. Except for administrative expenses, will most of this money return to the federal treasury?

Hon. Mr. Aseltine: No, none of it.

Hon. Mr. Macdonald: It is a gift.

Hon. Mr. Aseltine: It is a straight donation, if that is the proper word, or contribution.

Hon. Mr. Hayden: Has my friend the terms and conditions prescribed by the Governor in Council? I notice that the item refers to terms and conditions prescribed by the Governor in Council. Does the honourable leader (Hon. Mr. Aseltine) know what those terms and conditions are?

Hon. Mr. Aseltine: I have not the Order in Council with me, if that is what the honourable senator is referring to. The vote is to cover:

> Contributions to the Governments of the provinces of Alberta, Saskatchewan and Manitoba, in accordance with terms and conditions prescribed by the Governor in Council, of one-half the amounts paid by the Governments of those provinces to farmers in respect of unharvested crops to a maximum of $300 in respect of any one farm; and to authorize, in accordance with terms and conditions prescribed by the Governor in Council, contributions to the Governments of those provinces (or their municipalities) in respect of the administrative costs incurred by them in making such payments to farmers.

Hon. Mr. Hayden: I do not want to hold up my friend. Perhaps he will get the information. I would like to know what the terms and conditions are.

Hon. Mr. Aseltine: I have not that information with me at present, but I will try to have it available.

Hon. Mr. Hugessen: I suppose each of these provincial schemes was approved by the Governor in Council?

Hon. Mr. Aseltine: I think that that would have to be done.

Hon. Mr. Macdonald: I am not sure of that. I thought it was left to each province to work out its own scheme.

Hon. Mr. Aseltine: Each province worked out its own scheme, but I do not know whether the schemes would have to be approved or not.

Hon. Mr. Hayden: Not necessarily. The terms and conditions might take the place of an approval.

Hon. Mr. Hugessen: Yes.

Hon. Mr. Aseltine: For example, Manitoba formulated its plan and it was submitted to the Government. When Alberta and Saskatchewan formulated their plans, those too were submitted to the Government. I can give honourable senators some information with regard to those plans if they wish to have it.

Hon. Mr. Macdonald: I think the question was whether the plans of each province were approved by the federal Government. If the honourable leader has not that information now he might be able to provide it to the house before the bill is given third reading.

Hon. Mr. Aseltine: If we pass this supplementary estimate of $6 million and pay the money to the provinces to reimburse them for what they have paid out, shall we not be giving approval? I may say that as of February 24 some 19,620 cases had been approved in Saskatchewan.

Hon. Mr. Macdonald: By whom?

Hon. Mr. Aseltine: By the province. In Alberta and Saskatchewan applications are made to provincial councils, which recommend approval or rejection and, if necessary, appoint their own inspectors. In Manitoba applications are made to the municipalities, which send them to the Government for processing. Five thousand claims have been made in Alberta and 4,000 claims have been made in Manitoba, but not all have been approved. The closing dates were January 23, 1960, in Manitoba, January 30, 1960, in Saskatchewan, and February 29, 1960, in Alberta.

Hon. Mr. Hayden: Would the honourable leader permit a further question? I assume the procedure is that each province investigates every claim and either approves or disapproves of it. Having done that, does the province concerned then pay the claim and file for reimbursement? Is that the procedure?

Hon. Mr. Aseltine: Yes, that is the way it is done. For the last five or six weeks the provinces have been making payments on claims that have been filed and approved.

I come now to Vote 614, for the sum of $300,000, to cover contributions to the Governments of the Prairie provinces in respect of transportation of fodder and straw. This vote also is required because of the fact that in many parts of Alberta, Saskatchewan and Manitoba, particularly in the northern areas, there was a shortage of these commodities and the farmers were unable to carry the transportation costs. The railways reduced the freight rate by one-third, and when this vote is passed the provinces and the dominion will be paying the other two-thirds on a share-and-share-alike basis. The calculated costs are $175,000 in Manitoba, $300,000 in Saskatchewan and $50,000 in Alberta, making a total of $525,000. The vote for $300,000 is just a little more than half the $525,000.

Hon. Mr. Reid: Does this item cover transport of fodder and straw within the respective provinces?

Hon. Mr. Aseltine: Yes, these items were not moved out of the respective provinces.

Hon. Mr. Hugessen: This was all as a result of the same catastrophe?

Hon. Mr. Aseltine: Yes, the same catastrophe that created a disaster area where everything was snowed under in those provinces. Most of the feed and straw was snowed under—as it still is—and fodder and straw had to be shipped in from the southern areas where the threshing had been fully completed.

I come now to Vote 615.

Hon. Mr. McDonald: Before the honourable Leader of the Government (Hon. Mr. Aseltine) leaves the votes under agriculture, I would like to take this opportunity of saying, on behalf of the farmers of my own province, at least—and I feel quite sure I am speaking for the farmers of all the Atlantic provinces—how very grateful we are that the Government is continuing this freight assistance policy. We also wish to thank the Government for including the extra freight assistance.

I would ask the honourable leader how much each province received by way of assistance and what was the freight rate per ton. If he has not that information now, perhaps he could give it to the house at a later time?

Hon. Mr. Aseltine: What vote is that?

Hon. Mr. McDonald: Vote 612.

Hon. Mr. Aseltine: I have that information here. The amount expended for this purpose in 1958-59 by the federal Government was $20,327,334. As I have said, it is estimated the amount required in 1959-60 will be $24,500,000. This would be distributed as follows:

British Columbia	$ 2,000,000
Ontario	6,000,000
Quebec	11,500,000
New Brunswick	1,600,000
Nova Scotia	2,500,000
Prince Edward Island ..	500,000
Newfoundland	400,000
	$24,500,000

Does that answer my honourable friend's inquiry?

Hon. Mr. McDonald: Yes, thank you. Do you also have the rate per ton to the different centres?

Hon. Mr. Aseltine: The average overall rate is $8.13 per ton. If you multiply 3 million tons by $8.13 you get approximately the total amount required. Naturally, the rate to every province is different.

I was about to deal with Vote 615. This makes financial provision for a municipal winter works incentive program to be undertaken for the winter 1959-60 on the same basis as the program which was introduced last year. It is to be effective from December 1, 1959 to April 30, 1960, with the federal contribution remaining at 50 per cent and applying only to direct labour costs incurred by the municipalities on the projects approved by the provinces and accepted by the Government of Canada. It is estimated that the amount required for that purpose this year will be approximately $15 million, and that is the amount of the supplementary estimate.

Provision is also made this year for Indian reserves or bands to be included in this municipal winter works incentive program, they thereby becoming eligible for the same assistance as municipalities. In 1958-59 the program ended on May 31, because of the fact that it was extended for an additional month on account of winter conditions. Last winter some 700 municipalities participated. In all, 2,327 projects were approved, and these involved a proposed expenditure estimated at $62 million during the period from December 1, 1958 to May 31, 1959. The federal Government contributed $6,463,763.68 last year toward that program, which provided 1,019,000 man-days work, or, in other words, 35,534 jobs. This year, as of February 12, the number of jobs provided by the 1959-60

program has risen to 38,083, and it is expected that before the end of April the total will be considerably over 40,000.

Next is Vote 616, and I would like to refer to Vote 617 at the same time. These votes have to do with the travel expenses incurred by senators and members of the House of Commons when returning to their homes at Christmas and coming back again, and going home at Easter and coming back afterwards if there is an Easter adjournment.

Hon. Mr. Reid: What is the idea of the one dollar?

Hon. Mr. Hayden: That simply gives authority.

Hon. Mr. Aseltine: That is the way it is always put; the amount is not stated. It merely gives authority to the Government to pay when the amounts are ascertained. The reason for putting the vote in now is that honourable senators will not have to wait three or four months for their money, as they did last year. As soon as they come back from the Easter recess they will be able to file their claims and receive their money without any waiting.

Hon. Mr. Reid: There will be no objection to that.

Hon. Mr. Brunt: We can pass that item now!

Hon. Mr. Aseltine: Vote 618 has to do with the provision of $800,000 for contributions to the provinces, pursuant to an agreement entered into by Canada with the provinces, of amounts equal to one-half of the amounts confirmed by the provinces as having been spent by them for campground and picnic area developments. This vote provides for federal contributions toward expenditures made by the Governments of the provinces on campground and picnic area developments along the Trans-Canada Highway, and also as a winter works projects across Canada during 1959-60, in accordance with agreements entered into with the provinces. In the main estimates $1½ million was provided for this kind of work, and it is estimated that another $800,000 will be required. I will try to explain that. Payments to date amount to almost $1 million, and it is estimated that for the balance of the fiscal year $350,000 will be required for payments under the Trans-Canada Highway program and $950,000 for payments under the winter works program. These bring the total of the vote, including this supplementary estimate of $800,000, to $2,300,000.

Hon. Mr. Reid: Have all the municipalities taken part in the scheme?

Hon. Mr. Aseltine: No, this is only provincial.

Hon. Mr. Wall: Is there a breakdown by provinces?

Hon. Mr. Aseltine: I have not the breakdown by provinces. This is in accordance with the agreement between the dominion and the provinces. I have talked to certain people who made the trip from the east coast to the west coast, and they told me how pleased they were that along the main highway these facilities were available for them. In addition to providing work, this will, I think, help to a great extent in fostering a satisfactory tourist business.

Vote 619 is to provide for the purchase from the United States Government of the Canadian portion of a pipe line which extends from Whitehorse to Fairbanks, plus the oil at present in the pipe line. This pipe line, formerly known as the Canol pipe line system, was built during the last war, and it was arranged that when the war was over and the pipe line was no longer required for military purposes Canada would purchase the line from the United States. Although quite a long time has gone by since the end of the war, an appraisal of the line has only recently been made. The value of the line was estimated at $1,710,777, but certain credits taken off that amount reduced the price of the pipe line to Canada—that is, the amount we have to pay the United States for it—to $617,021, plus the value of the oil in the pipe line, $51,920.40, a total of approximately $670,000.

Hon. Mr. Reid: Are we buying the pipe line from the United States Government?

Hon. Mr. Aseltine: Yes. They built it.

The next vote, No. 620, is for administration, operation and maintenance of the National Aviation Museum. The amount is $75,000. I would like to point out that on September 28, 1959, the cabinet approved the establishment of a National Aviation Museum which is to be planned as part of the National Science Museum. The cabinet also delegated responsibility for its administration, operation and maintenance to the Department of Northern Affairs and National Resources.

If honourable senators have a copy of the estimates before them they will find the details, on page 6, comprise salaries, professional and special services. Those details are not in the schedule to the bill. That is one reason why I asked honourable senators to bring their copies of the estimates here this evening.

Hon. Mr. Davies: Where will the National Aviation Museum be established?

Hon. Mr. Aseltine: It is now at Uplands, but will likely be in Ottawa later.

Hon. Mr. Macdonald: I do not like to interrupt the honourable leader, but he has referred to page 6 for details of the National Aviation Museum vote, and honourable senators will notice after the name of each item and before the amount there is a figure in brackets. Could the honourable leader tell the house what that figure refers to?

Hon. Mr. Aseltine: At the back of the book of estimates there is a large-sized sheet folded up and placed in a pocket.

Hon. Mr. Macdonald: That is the information which was first furnished on the suggestion of the Finance Committee, under the chairmanship of the honourable senator from Churchill (Hon. Mr. Crerar).

Hon. Mr. Aseltine: I do not know, but these numbers mentioned here refer to the departments that are named on that large sheet. These figures have no other significance.

Hon. Mr. Hugessen: They refer to different classifications of expenses in that table?

Hon. Mr. Aseltine: Yes. I have a copy of that large sheet here if the honourable Leader of the Opposition (Hon. Mr. Macdonald) would like to see it.

Hon. Mr. Macdonald: I recall now to what the figures refer.

Hon. Mr. Aseltine: I come now to Vote 621. This vote is for $2,000, which is required to defray part of the cost of holding the First International Symposium on Arctic Geology, which was held in Calgary from January 11 to 13, 1960. Canada agreed to pay half of the cost. The other half has been paid by the province of Alberta.

Vote 622 is required to provide for expenses arising out of payment for programs for forest access roads and trails submitted by the provinces for 1958-59, which had to be carried forward to 1959-60, mainly because of adverse weather conditions during the period from November 1, 1958 to March 31, 1959. In the main estimates $1 million was provided, and this supplementary estimate is for $596,000, which is the amount required to finish the job.

For the information of honourable senators I will state the amount owing to each province:

Newfoundland	$2,963
Nova Scotia	12,509
New Brunswick	1,516
Ontario	203,609
Manitoba	37,021
Saskatchewan	60,244
Alberta	38,951
British Columbia	239,024
	$595,837

Hon. Mr. Hugessen: Nothing for Quebec?

Hon. Mr. Aseltine: Nothing for Quebec. It has its own program.

Hon. Mr. Hugessen: That is interference with provincial autonomy.

Hon. Mr. Reid: British Columbia did all right.

An Hon. Senator: As usual.

Hon. Mr. Hayden: Would the honourable leader (Hon. Mr. Aseltine) allow me a question with respect to Vote 622? The same would apply to Vote 618. In each of those votes reference is made to agreements between the federal authority and the province. I have checked and have been unable to find that such agreements, or copies of them, have ever been tabled in this house. Would the honourable leader be able to correct that defect?

Hon. Mr. Aseltine: I will see what I can do about it. I do not have any agreements with me. I presume these agreements were made by correspondence.

Hon. Mr. Hayden: The votes do not say.

Hon. Mr. Aseltine: Vote 623 provides for payment of $25,000 to cover the expenses of the Royal Commission on Coal. These expenses include the payment, notwithstanding the Civil Service Act, of honoraria or allowances to officers or other persons permanently employed in the Civil Service.

Vote 624 deals with the expenses of the Royal Commission on the Great Slave Lake Railway. The commission was directed to inquire into the respective merits of the alternative routes which might be followed by a railway line to be built from northern Alberta into the southern portion of the District of Mackenzie, Northwest Territories. The purpose of constructing this railway is to contribute to the development of that portion of the Territories tributary to the Great Slave Lake.

Hon. Mr. Crerar: Will the honourable leader state how much of that amount is for honoraria for civil servants and how much for other matters?

Hon. Mr. Aseltine: I have no division of the amount. I imagine the portion for honoraria would be infinitesimal.

Vote 625 has to do with the purchase from the United States of America of the United States Embassy located at Nos. 1, 1A, and 3 Grosvenor Square and Nos. 37 and 38 Grosvenor Street, London, England. Canada submitted a tender for $4½ million, and the amount of $450,000 shown here is merely 10 per cent of the purchase price offered by Canada.

Hon. Mr. Davies: Is Canada going to sell the present Canada House?

Hon. Mr. Aseltine: Canada is not selling the present Canada House, but we have bought what is known as the Hampton site. As I understand it, the authorities came to the conclusion that the Hampton site was not giving them exactly what they wanted. The buildings were razed, and plans were developed for a building to house the Canadian Government agencies in London which were located outside Canada House. Subsequently the location of the Hampton site proved unsatisfactory, chiefly because traffic and parking considerations were difficult. Disposal of the Hampton site, in March, 1959, to the United States Government at a price of $2,750,611.69 effected recovery of all our costs.

Hon. Mr. Davies: I think we are well rid of the Hampton site, if I may say so. I do not think it was suitable at all.

Hon. Mr. Brunt: At least we got all our money out of it.

Hon. Mr. Isnor: I am not quite sure of the figures as quoted by the honourable leader. Was the original cost $4½ million?

Hon. Mr. Aseltine: No. That is for the embassy we are purchasing now from the United States. We have sold the other property that we had purchased, and on which we had intended to build, to the United States.

Hon. Mr. Isnor: I understood that $450,000 was 10 per cent of the purchase price of the original property.

Hon. Mr. Hayden: No, of the new premises.

Hon. Mr. Isnor: Was there any loss in connection with the first purchase?

Hon. Mr. Aseltine: No.

Hon. Mr. Isnor: No loss at all? Perhaps the leader would give us the figures, just to make sure.

Hon. Mr. Aseltine: I do not have the figure at which it was purchased, but I have the figure at which it was sold. The only statement I have here is: "Disposal of the Hampton site in March, 1959, to the United States Government at a price of $2,750,611.69 effected recovery of all of our costs."

Hon. Mr. Isnor: If we had the purchase price we would know exactly.

Hon. Mr. Aseltine: I suppose in addition to the purchase price there would be what was spent on tearing down old buildings and improving the site.

Hon. Mr. Brunt: And legal fees.

Hon. Mr. Aseltine: It is obvious that the number of dollars which I have just mentioned in this item would be the amount, or approximately the amount, that we had in the project. However, I will get the exact cost price.

I do not intend to deal at any length with Vote 626, which has to do with the payment of a pension to a Mr. Casserly, a former locally-engaged employee of the Trade Commission Service in Kingston, Jamaica, in the amount of $508. The Treasury Board approved the payment of the pension, effective January 1, 1960. However, it is the usual practice to secure approval of Parliament before paying a pension of this type.

Vote 627 has to do with the National Energy Board, this being the first appropriation to cover the costs of its administration. Particulars are given on page 7 of the further supplementary estimates which honourable senators have had in their possession for some time. It covers salaries, professional and special services, travelling and removal expenses, freight, express and cartage, postage, telephones and telegrams, advertising, office stationery, supplies and equipment, material and supplies, and sundries, to a total of $177,000.

Hon. Mr. Isnor: I would call the attention of the honourable leader to the fact that the first item is salaries, $110,200, and the second item is professional and special services, $25,000. Is that $25,000 in addition to the salaries?

Hon. Mr. Aseltine: It is to provide for the payment for the services of special consultants and legal counsel engaged to render technical and professional assistance at the public hearings of the board.

Next is Vote 628, the particulars of which will be found at page 7 of the further supplementary estimates. There are many details there having to do with the construction of the ice-breaker *John A. Macdonald*, $1 million, and additional construction projects carried over from 1958-1959, and so on. I can put all the details on the record if honourable senators wish me to do so, but as we have had these particulars for more than a month I thought I would not need to do that.

Hon. Mr. Isnor: Perhaps you could make a statement for the record that marine services in connection with the St. Lawrence Seaway amount to $3,500,000. Would you make a statement like that?

Hon. Mr. Aseltine: No.

Hon. Mr. Brunt: Oh, no. The larger part of it relates to shipping in the neighbourhood of the Maritime provinces.

Hon. Mr. Aseltine: And the ice-breaker *John A. Macdonald* is not used on the St. Lawrence, but in the north, so it cannot very well be charged up to the seaway.

Hon. Mr. Isnor: What about the last item, $1 million, Vote 629?

Hon. Mr. Aseltine: Vote 629 has to do with a supplementary estimate of $1 million for dredging in the St. Lawrence Waterway in 1959. In the main estimates there was the sum of $4,094,000 for that purpose, and with this supplementary estimate of $1 million the total amount required for 1959-60 is $5,094,000.

Hon. Mr. Isnor: That is for dredging in the St. Lawrence?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Reid: In Vote 628 I see that you are modifying *C. D. Howe*.

Hon. Mr. Brunt: That is an expensive job!

Hon. Mr. Aseltine: Finally, Vote 630 has to do with the Northwest Territories. This is not an expense. It is a loan that is being made to the Government of the Northwest Territories. The Interdepartmental Committee on Federal-Territorial Financial Relations, in its report on the Northwest Territories, approved by the cabinet on July 23, 1957, recommended that the Government of Canada lend the Government of the Northwest Territories the money required for capital expenditure on education during the five-year period ending March 31, 1962, after first applying $250,000 from the accumulated reserves of the territorial Government. In accordance with the recommendations $800,000 was borrowed, and it is now found that an additional $400,000 is required to supplement the general funds of the territorial Government. The territorial Government is to pay this back to the federal Government with interest.

That, honourable senators, is a brief explanation of the supplementary estimates.

Hon. W. Ross Macdonald: Honourable senators, I am sure we are indebted to the Leader of the Government (Hon. Mr. Aseltine) for having given us information in regard to these various items. It is very difficult, of course, to remember all the details, but he has intimated that if any member of this house wants further information he will do his best to obtain it.

When the honourable Leader of the Government opened his remarks tonight he referred to the fact that the supplementary estimates provide for the payment of $32,360,511 in addition to the main estimates. I will not say he neglected to say how much had been spent before, but in considering these estimates, I think we should at least remember the amount of money that we have approved so far during the present fiscal year. We have been spending a lot of money; in fact, more money than has ever been spent by any other Government at any other time in Canada.

The main estimates which were approved by this house last July amounted to $5,595,848,557. That was not all. We also approved supplementary estimates of $120,-529,834. With the present supplementary estimates we will have approved the spending by the Government of a sum amounting to $5,748,738,902, which is a very large sum of money. And, honourable senators, I will remind you that this is not all. Before the end of this month we shall have additional supplementary estimates to approve, but in what amount they will appear, I cannot say.

Hon. Mr. Aseltine: My figures are a little different. I have the figure of $5,682,000,000. There is a little difference there, but I do not know the explanation of it.

Hon. Mr. Macdonald: Probably the Leader of the Government has had his figures added on an adding machine. I added the figures myself, so I will not place them in competition with his as to accuracy, but I think he will agree with me that the total is a very large sum of money, and that that is not the end. I do not intend to dwell longer on this amount. I have spoken before about expenditures, and what the future holds for Canadians who will have to pay these bills, so I will not discuss that point any further this evening. I do not intend to discuss any of the items to which the honourable Leader of the Government has referred, except the one which perhaps has aroused more interest throughout Canada than have any of the other estimates.

I refer to Vote 615, under the Department of Labour, in the amount of $15 million. The purpose of the estimate is to pay the provinces under the Municipal Winter Works Incentive Program during the fiscal year 1959-60 and 1960-61 amounts not exceeding one-half of the cost of the labour incurred in the appropriate periods. This item has focused public attention on the ever-present question of unemployment in Canada.

Honourable senators, I offer no apology for making some observations this evening on unemployment, which I admit is a very difficult and complex problem and one which surely does plague us.

In a country endowed with matchless natural resources and gifted with industrious and intelligent people who are well educated to the realities of the day, I often wonder why we should not be better able to adjust our affairs so as to eliminate as far as it is

practicably possible the often tragic and unfortunate problem of unemployment. In the past there has been disagreement as to the exact number of persons out of work in Canada. During my remarks in the debate on the address in reply to the Speech from the Throne I expressed amazement that the speech made no mention of unemployment. Honourable senators may recall that I referred to the distinction between the two sets of unemployment figures which are often quoted. One set, put out by the Dominion Bureau of Statistics, indicates the number of persons which the bureau estimates are seeking employment at a given time. The most up-to-date figure in that category is 504,000. The second set of figures, put out by the Unemployment Insurance Commission, shows the number of persons in receipt of unemployment insurance benefits at a given time. The latest such number is 782,000.

Now, one figure is an estimate which the Dominion Bureau of Statistics arrives at after making certain inquiries and the other is a definite figure of the number of people who are drawing unemployment insurance. I would draw attention of honourable senators to the great difference between these two figures, which is 278,000. The number of persons receiving unemployment insurance benefits is more than 50 per cent larger than the number estimated by the Bureau of Statistics as unemployed.

I am very glad that the Minister of Labour has stated he proposes to request the officials of the Bureau of Statistics, the Department of Labour and the National Employment Service to produce one figure which will likely be more accurate statistically than any now available. I am not going to say who it was that suggested this be done, because if I did I might be ruled out of order, since the suggestion was not made in this house. Nevertheless, I am very pleased that the minister has accepted the suggestion. If carried out it will be a step toward ending the confusion that has arisen in the past from these two sets of figures, which are always at variance with each other and often very contradictory. It will be difficult to produce one set of figures acceptable to all. In the past efforts have been made to do this, but without success. In any event, I am sure honourable members will agree when I say that unemployment is a knotty problem with which to grapple. Solutions are not easy to ascertain. I think, however, it is fair to say that the difficulty is one of such magnitude and importance that there is room for a real effort to be made at all levels of Government, federal, provincial and municipal, in co-operation with each other and with the business community and the labour unions of this country. These forces should co-operate in an endeavour to bring about a solution to this ever-troublesome problem, which is complicated by particular as well as general features. As an instance I would mention the case of the Maritime provinces, which are slowly declining as effective economic units in relation to the rest of Canada. That statement is in accordance with what has been said by prominent Canadians both outside and within this chamber.

It has been pointed out many times, and in fact only in the last few days, that there are various types of unemployment. Perhaps I may be permitted to mention a few. There is a type known to the experts as cyclical unemployment, which results from variations in the business cycle. The experts seem to agree that this type is not having a great effect on the general employment situation at the present time.

The second kind of unemployment, and one which is much more important in terms of the facts of life of Canada, is seasonal unemployment. This condition arises because of the extreme variations in our climate, and accounts for probably one-half of our present unemployment. It affects particularly such industries as lumbering, fishing, building and, generally, outdoor occupations.

Various solutions have been suggested to combat seasonal unemployment. It is indeed a matter which requires considerable study. It is a complex problem, affected by regional considerations; it is a problem which has been with us over the years, but more particularly during the past few years. In fact, we are now supposed to be living in a period of expansion and prosperity. In such a period in the past we did not have the seasonal unemployment we have had during the past two years. The Government has told Canadian working men that no one would suffer from unemployment. The Government must have known that there would be unemployment this winter, yet the only apparent effort it made to solve this problem was through the so-called winter works program, which is the basis of Vote 615 in the supplementary estimates before us. I would say that the winter works program is good as far as it goes, but it is surely symptomatic treatment rather than therapeutic treatment. In all, it will provide only 40,000 jobs for perhaps a very short period of time. It can, I suggest, be characterized as a drop in the bucket, and as in no way a solution to the general condition of seasonal or other unemployment.

Hon. Mr. Thorvaldson: Do you suggest a higher vote for dealing with winter unemployment?

Hon. Mr. Macdonald: I will have some suggestions to make to the honourable senator, if he will just contain himself and be patient. I only hope that the suggestions I make will meet with his approval and that he will join with me in trying to put them into effect.

Honourable senators, I have already spoken of two types of unemployment. The third type is that known as technological or structural unemployment, which in a large part results from the phenomenon of automation and comes about as improvements in industrial techniques and efficiency put men out of work. A classic example occurred at the time of the invention of the motor car, when persons who had been engaged in the construction of carriages suddenly found themselves out of work. There was a period in which they had nothing to do, and it took some time for many of them to obtain work in the automobile industry. But in the long run the automobile industry provided much more work for the general population than the carriage industry had ever contemplated. Today we find a number of industries affected by technological unemployment, and the Government has done little or nothing to assist in the solution of their difficulties, other than to say that it is studying the problem.

Nothing, for instance, seems to have been done for the textile industry. That industry is now exposed to serious competition from synthetic products. It is operating under difficult conditions, and at the same time it faces the dilemma of providing a comparatively small domestic market with a great variety of products.

Little or nothing has been done for the coal industry, at one time so basic a feature of the Canadian economy, except to set up a royal commission to study its difficulties.

Nothing has been done by the Government for the uranium industry, which today, as all honourable senators know, is in serious straits, principally because of international complications.

Nothing was done to keep together the highly skilled group of workers in the aircraft industry, especially in Toronto, who last year were set free from their occupations by cancellation of Government contracts.

Honourable senators, the Government cannot entirely wash its hands of the responsibility for the conditions which continue to prevail in the industries which I have mentioned. As a result of its do-nothing policy, seasonal unemployment is being allowed to develop into chronic unemployment, a condition which we should, if at all possible, prevent from taking place. That is the condition we appear to be facing today, and it is not being combated with sufficient relentless force by the Government; and the worst feature of it is that if left alone it can become a more or less permanent condition.

Honourable senators may fairly ask me, as the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) did a moment ago, if I have any solution to suggest. First of all, may I mention some of the suggestions which I have heard from time to time, and which no doubt honourable senators also have heard. I think they are worth repeating.

It has been suggested that there be undertaken a general survey of seasonal unemployment, with particular emphasis on regional analysis. It has been suggested that a national advisory board be created to consider questions of economic development, employment and automation. It has been suggested that the Government's vocational training program be expanded. It has been suggested that there be set up a capital fund to assist the development of industry in the Atlantic provinces. It has been suggested that a federal-provincial conference be held. It has been suggested that a conference of labour and industry be held. It has been suggested that public works under all levels of government be so planned and timed as to provide maximum employment in winter. It has been suggested that a municipal loan fund be set up to encourage municipalities in the provision of work at appropriate times and in appropriate ways.

Honourable senators, I endorse all these plans, and I trust that they will receive most careful consideration.

I have a proposal of my own, which I would like to advance.

Hon. Mr. Brunt: This is the one we want. We all know the others, which came from the other place.

Hon. Mr. Macdonald: I was not in the other place, and I did not hear them. I make these suggestions not for the consideration of the other place, but for the consideration of this place.

Hon. Mr. Isnor: Hear, hear.

Hon. Mr. Macdonald: It is the Senate in which I am particularly interested, and if the Senate can do anything to solve this very trying and difficult problem I know that all honourable senators will join as one body to bring about a solution, if it is possible. I say that the Senate of Canada, as all honourable members will agree, is composed of men

and women of wide and diverse experience in practically every walk of life. All are experienced in the careful and diligent sifting of evidence in public matters which come before this house and its committees.

I would propose to the Government—and I trust the honourable Leader of the Government will pass this suggestion along—that the Senate seriously consider referring the whole question of manpower to one of its committees or to a special committee, where impartial and unbiased attention could be given by the members of this house to the general problem of unemployment and its effects upon our national life and the individuals concerned. That is the suggestion I make to this honourable house.

I would remind honourable senators of the excellent work done last year by the Standing Committee on Finance, under the chairmanship of the honourable senator from St. John-Albert (Hon. Mr. Emerson), in its study of inflation. I would also remind honourable senators of the equally good work done by the Finance Committee in previous years. I referred tonight to one instance whereby presentation of the estimates has been improved so that we are now able to get more information than we previously could.

I refer also to the excellent work done by a committee of this house and the assistance it gave to the government in the revising of the Criminal Code.

I would also remind honourable senators of the splendid work and the assistance given by a committee of this house when the Income Tax Act was being revised.

In all these matters this house was of great assistance to the Government. I advance the proposition that similarly good work may very well be done by a committee of this house in connection with manpower, employment and unemployment in all its aspects.

We are told on all sides, and particularly by the Government, that we have come out of the recession and are in a period of relatively high prosperity. I would not presume to anticipate the Minister of Finance, but it would not surprise me if he were able to balance his budget during the coming fiscal year. At the same time, however, there is a considerable volume of opinion to the effect that 1961 may not see the same buoyancy that is attributed to 1960. If that is the case in 1961, and if by any standards there are well over half a million people unemployed in Canada, as there are in this year of prosperity, then it surely is necessary for us to view with grave alarm a possible falling off in the economy next year, when related to the question of unemployment. That is one reason why I feel that if a committee is to be set up to consider this question it should be set up soon.

At the same time we should be giving much more serious thought to the possibilities of an even more trying and difficult condition as far as jobs are concerned in the future. If that is so, I would suggest that we ought to give most earnest thought not only to the very difficult unemployment position in which we find ourselves today, but also to what might well become a critical period in these matters over the next few years.

Hon. Mr. Roebuck: May I ask the honourable senator if he is going to move for establishment of such a committee?

Hon. Mr. Macdonald: I had not decided at the moment to make such a motion. I feel that to do a respectable job we would need the co-operation of the Government, and it might be better to make the suggestion to the Leader of the Government (Hon. Mr. Aseltine) so that he could pass it along to the Government. Whether or not we should take a different course and decide to go along with it in any event, I would leave for further consideration.

Hon. T. A. Crerar: Honourable senators, I have a few remarks which I should like to address to the house on these supplementary estimates.

The Leader of the Opposition (Hon. Mr. Macdonald) gave a summary of the total amount that Parliament has voted, including these present supplementaries, for the fiscal year 1959-60, which ends with this month. That total, including the main estimates of a year ago, and the two supplementary bills that have been presented, will run to something over $5,748 million, but that is not all. That does not include all that the Government pays out, because it does not include the amounts required to pay old age security, which in the present fiscal year are estimated to amount to $577 million. So the total amount expended or proposed to be expended in the present fiscal year is approximately $6,325 million.

Now, if we take a look for a moment at the prospect for the next fiscal year, if you will permit me, Mr. Speaker, to refer to it—I may be out of order, but I know your kindness—the main estimates provide for $740 million in round figures. The old age security estimate for the next fiscal year is $590 million, and if supplementary estimates—

Hon. Mr. Haig: Will the honourable senator permit a question? Is not part of the old age pension charged to special incomes not included in the general income? I think if you will look at the record you will see that the cost of that is charged to special incomes,

and it is only the carry over or the shortage that has to be paid out by the Government.

Hon. Mr. Crerar: I am well aware of that, honourable senators, but what I am pointing out to the house is this, and I am sure my honourable friend from Winnipeg (Hon. Mr. Haig) will, on reflection, agree with me, that if we pay out during this present fiscal year $577 million on old age security, it has to come out of the taxpayers' pockets. There is no question about that. The mere fact that when this old age security plan was introduced there was set up the so-called 2-2-2 formula, did not mean that the money would not come from the taxpayers. It does. All the formula did was to dress up the plan and perhaps give it a little better appearance.

Hon. Mr. Haig: But that money never gets into the general revenue.

Hon. Mr. Hayden: He never said it did.

Hon. Mr. Crerar: Whether it goes into general revenue or not does not matter. The point I am making is that the taxpayers pay it, and my honourable friend will not deny that.

Now, if we project supplementary estimates for the next fiscal year to the same degree as we have had for the present fiscal year, then our spending for the next fiscal year will run to the order of about $6,480 million, an increase of approximately $150 million over the present fiscal year.

It is all very well to talk about the importance of providing against unemployment. It seems to me that all political parties today accept that theory. Not only is it accepted in this country, it has been in a large measure accepted in the United States and in the United Kingdom. I would ask my colleagues in this house to reflect on what that means. If our Government is to be responsible for providing work for people, providing jobs so that all people are employed, then I say it cannot be done unless the Government takes far greater powers than it possesses today to regulate the lives of individuals. If we go on in this present way we shall come to a point—and I dislike making predictions—where we shall have to choose either to revise our whole concept of this aspect of protection against unemployment or reach the decision that we will clothe our Government with the powers that it will necessarily require to deal with it. I am quite willing to stake my reputation on that premise. That, honourable senators is a prospect that frightens me.

Take unemployment insurance. It was a measure that was entered into on the basis of an insurance principle. It has gone far away from that principle altogether, and unemployment insurance today is being used for the relief of unemployment. The insurance principle upon which it was founded has been largely thrown out the window. Today we have, in the figures which the Leader of the Opposition quoted a short time ago, the spectacle of 780,000 people drawing unemployment insurance benefits. If my memory is correct, that was the figure given by the Minister of Labour in the other place a short time ago.

Let us look at what that means. These payments go on for 52 weeks a year, and if my memory serves me aright, they amount to around $36 per individual per week. How long is the Unemployment Insurance Fund going to remain solvent with that strain upon it? True, at the last session of Parliament we increased the contributions from both the employer and the employee.

Hon. Mr. Barbour: And we extended the period over which benefits would be paid.

Hon. Mr. Crerar: Yes; I mentioned that a moment ago.

We increased the payments from the employed person and from the employer, and correspondingly we increased the contributions by the federal Government to bolster the fund. As honourable senators are aware, the contribution of the federal Government is 20 per cent of the total amount required, and that increased the contribution by the Government by about $14 million since the amendments came into force. But there is another aspect of it. That put an additional strain on every manufacturer, on every industry in this country, on every employer of labour, and that at time when we are facing in foreign markets the sternest competition we have had in fifty years. If this be all right, I am bound to say that as far as I am concerned I cannot see where it makes sense.

I wish to deal for a few minutes with the estimates. The Leader of the Government gave a rather extended explanation of the various items, and I would like to comment briefly on some of them.

If I were to offer a general criticism of these estimates it would be this. For the present fiscal year the Minister of Finance budgeted for a deficit of $393 million. Now, it is possible that he may perhaps be within that amount by $50 million—it is impossible to say at the moment. The deficit for the previous fiscal year, as I recall, was $650 million. This year I should think it will be at least $350 million. And this, honourable senators, is at a time when we have been boasting about the buoyancy of our economy.

The general expectation is that 1960 is going to be a very good year, but there are

a few small clouds appearing on the horizon. Anyone who reads the financial papers must be aware of this. Will this tendency of an ever-expanding economy continue, or are we going to pause and perhaps slow down? If we pause and slow down, make no mistake, it will soon be reflected in the revenues of the country.

I say frankly to this house that we are not economizing as we should be today, at all levels of Government. There is not a single province in Canada today whose budget has not, so far as I am aware, increased substantially. The same is true of our cities, or practically all of them. If we examine the provincial budgets we will find they are duplicating in very large measure many of the expenditures at Ottawa. Let us not forget that the welfare state philosophy is not practised only by Ottawa; it is practised by every province and every large city, all of which have in their budgets large items for this purpose. I would venture to say that if we took the total expenditures under the broad heading of social security we would find that this year the Canadian people are spending under that heading $2 billion, at all levels of Government, and this apart from soldiers' pensions. My honourable friend from Toronto-Spadina (Hon. Mr. Croll) shakes his head.

Hon. Mr. Croll: "At all levels of Government", you add.

Hon. Mr. Crerar: Let my honourable friend study the figures and put them together. He will then find I am not very far out.

May I make this observation? This is at a time when we are supposed to have had a prosperous year, when everything is going well with us, and in a young country with endless opportunities for development and growth. If we have to spend now at this rate, what will happen if unhappily we should run again into a period where the sun of prosperity is behind the clouds for two or three years? That would make a difference because governments can get money from the taxpayers only. They can borrow it from people, but today people are rather loath to lend to the Government. Let us make no mistake about that. They are rather loath to lend to the Government, particularly on long-term loans. We may borrow from the United States, as we have been doing largely in the past year, and mortgage ourselves for the future to that country. That is not a desirable thing to do. And if we fail to get revenues in this way, then, of course, we can resort to the old-fashioned method of printing money, which we have done to a substantial degree, believe me, since the end of the war. I am not referring to the present Government particularly, but to the experience since the end of the war. If anyone reads financial history or economic history he will be convinced of one thing, that when that happens the danger signals are flying, and flying very definitely.

Honourable senators, I have only a few comments to make on these estimates. Under Northern Affairs and National Resources there is an amount of $800,000 which, it is noted, is to supplement a sum of $1,500,000 for camp sites and picnic area development. Have we lost all sense of proportion? At a time when our finances are unquestionably strained, at a time when taxation is at the highest level it has ever reached in this country—higher than it was during the war—how can we justify the spending of $2,300,000 on camp sites and picnic grounds? Does it add up to common sense? This was undertaken three years ago. It was started in 1957 or 1958 in order to help solve the unemployment problem, and now it looks like becoming a permanent fixture in our whole spending program. These are the places where I think we need to do some hard thinking.

Then there is the acquisition of the Canol pipe line system. Maybe my memory is at fault, but my recollection is that there was some engagement by the Canadian Government at the time the line was built that Canada would take it over at a certain valuation to be agreed upon. That pipe line, as a matter of fact, was built 17 years ago this coming summer.

I do not know about the National Aviation Museum, but it strikes me it is a thing we could well put off for a few years until we get into a little sounder shape. And these other things—I do not wish to keep the house —are all much of the same type. I think we have become too anxious to do too much almost at once.

I come back to the point that we do need to give care to our public finances. I do not wish to criticize the Prime Minister, but I do think when he made his commitments—and they were commitments—that full employment would be maintained, that no one would suffer for lack of a job, he had not given to them the full reflection they needed. I submit that if that is to be the policy of our Government we should decide to discuss openly with the people the principle of whether or not it is a responsibility of Government to see that everyone has a job. If the answer is in the affirmative, then let us be brave enough and strong enough to take the measures necessary to implement it. But in the final analysis that cannot be done, in my judgment, without the Government's taking unto itself power to regulate where

people will work, the number of hours they will work per week and the wages they will earn.

Hon. Mr. Roebuck: They are not doing that in England.

Hon. Mr. Crerar: The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) shakes his head. I would like to see him work out the problem as it is developing at the present time because, as it appears to me, there is no other solution for it.

I know that compassion cannot be absent from our hearts, but I am confident that many thousands of people today are drawing unemployment insurance and receiving relief in one way or another who could very well get along without it. They did it in the past, and I do not see why they cannot do it now. The unfortunate are in a different category altogether. So far as the unfortunate are concerned, I would hold out both hands to give them the necessary help.

The great virtues of the Canadian people who made this country what it is were self-reliance, initiative, pride and industry. Are we losing these virtues? If we do lose them, it will be a very sad day for Canada.

Hon. Frederick M. Blois: Honourable senators, being a very new member of this house, and also a backbencher, I trust the few brief remarks I am going to make will not be thought to be out of order.

I have listened to the remarks of the honourable Leader of the Opposition (Hon. Mr. Macdonald) in regard to unemployment. He had an advantage over me in that he had his remarks prepared, and I am speaking entirely "off the cuff".

In the first place, I want to say that I agree with a great deal of what he said. I believe if it be possible for honourable members of this house to do anything that would shed any light on, or in any way assist in relieving, the unemployment situation in this country, it is our duty to do our part.

Over a period of years I have had a great deal of experience in the employment of workers. For some forty years I was fortunate enough to be with a firm which did not have much unemployment. We took care of that ourselves. As the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor), who sits across from me, well knows, in the tough times we carried on. Fortunately, we were a firm which had sufficient money to be able to do it. But we had faith in our country. We had faith in the goods we were manufacturing, we had faith that our employees would help us out; and they always did, and we always disposed of our goods. It seems to me that any inquiry into unemployment undertaken by a Senate committee would have to be carried out, if possible, in an unbiased and non-political manner. I say in all fairness that I do not think the honourable Leader of the Opposition was altogether unbiased in his remarks tonight, as perhaps I would not be if I had prepared my comments for tonight. But it does seem to me that we in the Senate, and perhaps those in the other place, do a lot of talking without getting down to rock-bottom base of a problem.

The honourable Leader of the Opposition referred to the textile industry. I think perhaps I know as much about this industry as anybody in this house, as I have been in it for some forty years. I know how tough a time it has had down through the years, not only under the previous Government but under several of its predecessors. I tell you that this country should be proud of its textile industry, for before things got as bad for the industry as they have been in the last ten to twelve years it gave employment to more Canadians than any other individual industry did. This fact is probably not generally known. Furthermore, during the last war the textile industry of this country not only supplied the needs of the armed forces of Canada, but it helped other countries as well, and it was able to do so on very short notice.

The textile industry felt the depression of the thirties less and recovered much more quickly than any other Canadian industry. We all know that textile goods are coming in from other countries, but perhaps we could take this to heart and do a little thinking as to how many of us are buying and wearing Canadian manufactured textiles. Some months ago I had the opportunity of speaking at a board of trade meeting and we were all amazed at how many Canadians are buying textiles manufactured outside of Canada. The same is true of other articles. To look at this matter squarely we should examine our own methods and determine whether we are doing our part to build up this country of ours.

A lot can be said for the suggestion of the honourable Leader of the Opposition that a Senate committee be appointed to seek a solution to the unemployment problem in this country, and again I would suggest that if such a committee is appointed it should conduct its survey in a non-political manner.

Honourable senators, it is now ten o'clock, and I will not delay the house longer, but I thought that someone else on this side of the house should take part in the debate. Perhaps nothing would do more good for the Senate than helping to improve the unemployment situation, if we could. I realize that

unemployment exists in other countries, but we are primarily interested in this Canada of ours.

Hon. Wishart McL. Robertson: Honourable senators, after the vigorous remarks of the honourable gentleman from Churchill (Hon. Mr. Crerar) I do not purpose offering any solution to the question of unemployment. But I would say that if those responsible for leadership in this country do not move rapidly to improve the position of agriculture and cut down costs so that our producers can hold their domestic and export markets, then, of the unemployment we are facing at the present moment we can say, to use a slang expression, "We ain't seen nothing yet". We do not fully realize what we are coming up against by way of competition.

While I am inclined to agree with my honourable friend from Colchester-Hants (Hon. Mr. Blois), as I always am, because I know him to be a very intelligent person, I would point out that we have got to do something more than say "Buy Canadian". We have to produce goods on a competitive basis. If we don't, then we are going to have unemployment in this country to a degree that will make our heads whirl.

I want to refer particularly to the supplementary estimates in connection with the assistance being given to the grain growers of the west. When the Prairies Grain Provisional Payments Bill and the Prairie Grain Loans Bill were before the house I supported them 100 per cent, just as I support this vote 100 per cent, but I cannot get away from feeling that however desirable and necessary assistance legislation is at any particular time, the idea of our farmers coming to this house for assistance year after year, not only under the present Government but the Government of which I was once a member, is not good.

Recently I read certain briefs issued by the Canadian Federation of Agriculture and the Interprovincial Farm Council. They radiated from one end to the other the terrific problem the agricultural industry is encountering by way of rising costs—the cost squeeze—as a consequence of which farmers are asking Governments to do this, that and the other thing. I can see their point and I am willing to give my utmost support to temporary measures of assistance, but surely we can get some sound, permanent policy that will enable the farmers to prosper. I would hazard the guess that in the last ten years some $15 billion or $20 billion went into western Canada from the sale of its products. If at the end of such a period they have to appeal to Parliament for further assistance because their costs have gone up, while at the same time some of their prices have gone down, then it can be seen they should have had a larger share of the wealth they produced.

I would like to ask the western senators where the $15 billion or $20 billion went. Who got it? When I was Leader of the Government in the Senate—a position now occupied so graciously by the honourable senator from Rosetown (Hon. Mr. Aseltine) —and was dealing with western agriculture, it did not take long for western senators, particularly the honourable senior senator from Winnipeg (Hon. Mr. Haig), who was then Leader of the Opposition, and the honourable senator from Blaine Lake (Hon. Mr. Horner), to get on their feet and in no uncertain terms tell the Government what should be done to effect a permanent cure of the problems of western agriculture. They had no hesitation whatever. What amazes me is that with these problems before us today the senior senator from Winnipeg and the senator from Blaine Lake, among others, seem to be overcome by a fit of bashfulness. They never showed signs of bashfulness when they were on the Opposition side of the house and I was on the other. What is wrong with them now? Why don't they give an expression of opinion? Why do they not tell this house where the money is going?

Hon. Mr. Haig: Give us a chance.

Hon. Mr. Robertson: You have had chances. I have been sitting here for three weeks waiting for the honourable gentleman to say something. If I had not spoken tonight this bill would have gone through without a further word. I am glad he is going to tell us what the cure for the west is. I say it is not good enough to have these temporary solutions, and to have so basic an industry as agriculture in this country placed in this difficult and humiliating position. The money went into the west. Where is it now? Why is it necessary to come here to have the Government guarantee bank accounts for farmers in the west? The western farmer has an amazingly good record of paying his bills, yet he cannot borrow money. Agriculture in the west seems to be in a bad way. There is something wrong, and my honourable friends should not sit in their seats and refuse to make any comment if they know the cure. I know the senior senator from Winnipeg used to feel that the great obstacle to a prosperous agriculture was the existence in the other place of so many Liberals who did not know what should be done for agriculture, but there is now not a Liberal member from the Manitoba border to the Pacific coast. My honourable friends have a clear field now on which to bring in their

plans for the betterment of agriculture in the west. I have not heard from them yet, but it is pretty nearly time that we did hear from them. I would like to hear what the honourable senior senator from Winnipeg proposes to do about it, or what he says the trouble is, and also what the honourable senator from Blaine Lake has to say.

Hon. John T. Haig: Honourable senators, I will answer the honourable gentleman. My home city of Winnipeg has a tax agency. The province of Manitoba pays about $15 million to $20 million a year toward the tax revenue. I admit that is only a little money compared with what is paid by the big provinces of the east, but over the years it amounts to a lot.

The farmers of Manitoba, Saskatchewan and Alberta may have funny ideas as to what they should get for their grain, but as a class they are not surpassed by people in any part of Canada, or in any part of the world, for that matter. They are clear thinkers and good citizens, every one of them. They are capital people; they have been up against a hard struggle, have had difficulties through the years and have come out on the top.

My father and mother landed in the west and homesteaded there. They paid $10 for half of a quarter-section of land and settled on it. They brought up eight children, of whom I am one, and all of us are university graduates. All of us have made a living, and none of us have been on relief. It must be remembered that the west has suffered from bad weather and bad conditions. Last year was impossible. No one who has not lived on the Prairies could begin to realize what bad weather conditions did to that area last year. We had it too dry in the spring, and when the rain came in June and July it was too heavy. This was followed by snow and rain and generally bad weather, until the end of October. Think of the plight of a man having a quarter-section of, say, sugar-beets, and the whole crop lying under a foot of water, completely lost. That is the kind of situation we face in our province. The same applies to Alberta and Saskatchewan.

It is true that sometimes the western farmers have asked for too much and exaggerated their demands. However, I want to point out that these people of the west are a free people. During World War I and World War II the young men from our western provinces compared favourably with the young people all across Canada in joining up to go and fight for our country. I know what I am talking about.

Hon. Mr. Macdonald: Nobody would deny that.

Hon. Mr. Haig: Well, I know they can't deny it.

Hon. Mr. Robertson: Nobody is denying that. Where does the money go? That is what we want to know.

Hon. Mr. Haig: Those are the conditions we were brought up in. We pay higher freight rates than the central provinces or the Maritimes have to pay. We have to pay for the long haul. The west started out with nothing. I will not sit in this house and hear any kind of criticism against the farmers of western Canada, no matter by whom, and no matter whether they vote Liberal, C.C.F., or Social Credit, although I think they should vote Conservative. I will stand up for the western farmers and protect them, no matter for whom they vote. I was raised with them, I went to school with them, and understand them. I married a girl from the west. The western farmers are the best kind of people in Canada. However, they have had an awful struggle, a fierce struggle, and are trying to work out of it. They do not want money from anybody, they only want their share. I will bet my honourable friend from Shelburne (Hon. Mr. Robertson) a dollar to one cent that his province of Nova Scotia and Prince Edward Island and New Brunswick have got more out of the dominion Government than the western provinces have got in all their history. For instance, they got the Intercolonial Railway, and we carried the load.

Hon. Mr. Hugessen: What about Hudson Bay?

Hon. Mr. Haig: Hudson Bay is paying. We are sending a great deal of grain through Hudson Bay. Last year was the best year.

Honourable senators, this is the first time I have had a chance to say quite candidly that I am very proud of the farming communities of the three Prairie provinces. No matter of what nationality the people are, or where they came from, they have become good Canadians, every one of them, and are fighting hard to make a good living for themselves and their families. They are proud to be Canadians; they are very loyal to Canada. When they meet depressions, however, and face trouble all the time, naturally they rally to something which will give them hope of assistance.

On the question before the house, I am worried about the Opposition in this chamber on one point. They tell the Leader of the Government here (Hon. Mr. Aseltine)—and he is a very nice chap when you get to know him—

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Haig: Some of us like him very much. I have known him personally for about 50 years. He has been a member

of this house for more than 25 years. Do you know why we like him? When he tells us he is going to do a thing he always does it. It is nice to have a fellow do that.

When the Liberals on the other side of the house speak they always criticize what the Government is doing, yet I have never heard one of them tell us how to cure the ills for which they blame the Government. There is no use in saying that the Government caused this or caused that.

I can never forget an incident that occurred in the west in the depression years, around 1932. A man was walking down a street in Winnipeg, and when passing Eaton's big store he smashed a window and picked up two loaves of bread. He was arrested. Next day the Attorney General was asked "What did you find out about the man who smashed Eaton's window?" He said, "We found out he had six children at home and there was no food in the house". I said to him then that if I had been in that man's position I would have taken four loaves. That is the kind of thing we have to take care of.

I want to say to my honourable friend that Manitoba, Saskatchewan and Alberta do not want a cent of money from anybody else in Canada. We only hope that Providence will give us the right kind of weather so we can grow crops native to our provinces. Given that, we will not only take care of those crops but will pay the debts we owe to Canada, and pay our share of taxes, all without a murmur. That is what the people out there will do. We are a proud people.

Of course you will say that in Manitoba, Alberta and Saskatchewan all the people voted for John Diefenbaker. I think Manitoba and Alberta went for him fully. Well, let me tell you that they just woke up that time; that was the first time we got them away. They voted for John Diefenbaker for the very reason that they will always vote for a good man. John Diefenbaker is a westerner himself, and he understands the people. He tried then, as he is trying now, desperately, to solve their problems as they arise. I don't care what you say—you can criticize him from now until doomsday, but you cannot take out of their minds just what the delegation of women from Elliot Lake said about him a few days ago, that he is trying to do the best he can for the west because he was brought up among westerners. I too was brought up there.

Let me tell you a little story. It is a personal one, I will admit. In 1889 or 1890 we were farmers and my mother was a good butter maker. I used to get on Mollie, our horse, and ride bareback to town with three or four pounds of butter and a few dozen eggs in a basket. There I had to buy a pound of tea, a little sugar and some salt and pepper. I always had to figure to have about 20 cents left at the end of the buying; with 10 cents of that I would buy candies, and the other 10 cents I would take home to mother for the collection in church next Sunday. That is the kind of life we had to live, a pretty ordinary life at that time. But now the people are starting to develop industry in that part of Canada. Our western provinces are supporting education to a marked degree. We have a fine university in each of the Prairie provinces, and our Governments give considerable sums of money to maintain these institutions. Large sums of money go to the public and high schools of those provinces and the boys and girls there can get an education equal to that given in any other part of Canada. All these things mean good for our country.

Honourable senators, I apologize for speaking at such length, but I had to answer my honourable friend. When he was the leader of this house he let us on the Opposition do as we liked, but we never got away with anything.

I have nothing to say about either the main estimates or the supplementary estimates that come through at this time of the year to balance up the country's accounts. Let me say, though, that I think Mr. Fleming will not be very far out in balancing the budget this year. He is putting up a great fight to balance the budget. It is all very well to say that if men who are working for $4 an hour would work for $1 we could sell our goods more cheaply. But the question is why should these men not get $4 an hour if everybody around is getting that? Honourable senators, I have no answer to that.

The budget will be brought down between now and the first of April. The honourable Minister of Trade and Commerce, whom I happen to know very well, has spoken of the prospects for the coming year and he has said they are reasonably good. But it does not matter how good the year is, unless we in the west get fair crop conditions we are always up against it.

Hon. Mr. Robertson: May I ask the honourable gentleman a question? When he next speaks will he answer my question?

Hon. Mr. Haig: I told you that from Manitoba alone they paid $15 million a year into the treasury of Canada, and I think Saskatchewan and Alberta paid more than we did.

Hon. Mr. Aseltine: You mean the farmers paid that?

Hon. Mr. Haig: Yes.

Hon. Mr. Robertson: My question to my honourable friend was: Why did the farmers not get a larger share of the selling price of their grain?

Hon. Mr. Haig: There is no way on earth that I can answer that question. I do not know what people did with their money during the last 25 years. I tried to get as much of it as I could by being a good lawyer!

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

Hon. Mr. Aseltine: Honourable senators, before we proceed with any other business I would like to obtain the unanimous consent of the house for resuming consideration of the Appropriation Bill tomorrow, not only as the first of the Orders of the Day, but ahead of the preceding two motions, which might take a great deal of time. I would like, if possible, to have second reading of the bill tomorrow, and perhaps if everyone who wants to speak does so, it might get third reading and receive royal assent.

Hon. Mr. Macdonald: Honourable senators, it is agreeable as far as I am concerned that this bill be the first matter to be discussed tomorrow, with no conditions attached as to when it will pass.

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

DIVORCE

PETITIONS

Hon. Arthur W. Roebuck: Honourable senators, I present a number of petitions in divorce, and I wish to inform the house that these are the last of them.

HON. A. B. BAIRD

ABSENCE DUE TO ACCIDENT

Hon. Mr. Roebuck: Honourable senators, may I make a comment on behalf of myself and all members of the Divorce Committee.

I wish to express the sorrow we feel in the painful and unfortunate accident suffered by one of our members, the honourable senator from St. John's. Senator Baird is now in hospital, and will be there for a considerable period of time. All my colleagues on the committee, with whom Senator Baird is very popular, wish him a quick and complete recovery.

Hon. Mr. Aseltine: So do we all.

Hon. Mr. Macdonald: As the Leader of the Government (Hon. Mr. Aseltine) has said, we all join with the honourable Chairman of the Divorce Committee (Hon. Mr. Roebuck) in his wish for the speedy and complete recovery of Senator Baird.

PRIVATE BILL

INTERNATIONAL LOAN COMPANY—FIRST READING

Hon. John Hnatyshyn presented Bill S-23, respecting International Loan Company.

Bill read first time.

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

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

Motion agreed to.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Superintendent of Insurance for the year ended December 31, 1958, being Vol. II, Annual Statements—Fire and Casualty Insurance, pursuant to section 9 of the Department of Insurance Act, Chapter 70, R.S. 1952.

Copy of the 55th Annual Report of the Board of Transport Commissioners for Canada for the year ended December 31, 1959, pursuant to section 31 of the Railway Act, Chapter 234, R.S. 1952. (English text).

Ordinances of the Northwest Territories, assented to on January 19, 1960, pursuant to section 15 of the Northwest Territories Act, Chapter 331 of the Revised Statutes, 1952, as amended. (English text).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 254 to 269, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

NATIONAL PAROLE BOARD

REPRESENTATIONS FOR APPOINTMENT OF WOMAN MEMBER

Hon. Muriel McQ. Fergusson inquired of the Government, pursuant to notice:

1. Have any representations been received by the Prime Minister or by any other member or members of the Government to appoint a woman member to the National Parole Board?
2. If such representations have been received, by whom were they made?
3. If such representations have been received, what, if any, action is contemplated by the Government?

Hon. W. M. Aseltine: Honourable senators, answers to this inquiry have been received from the office of the Prime Minister and the

office of the Minister of Justice. The following is the answer received from the office of the Prime Minister:

1. Yes.

2. (a) The Canadian Federation of Business and Professional Women's Clubs. (Miss Isobel Menzies, President).

(b) The Canadian Committee on the Status of Women. (Mrs. G. D. Finlayson, Chairman).

(c) Mrs. A. W. Coles.

(d) The University Women's Club of Ottawa. (Mrs. E. A. Watkinson, First Vice-President).

(e) Ottawa Women's Forum. (Miss Ethel H. Kenny, Corresponding Secretary).

(f) Association des femmes universitaires d'Ottawa-Hull. (Mme Jean Boucher, Présidente).

(g) The Women's Missionary Society of Dominion United Church, Ottawa. (Miss C. T. Williams, Corresponding Secretary).

(h) Women's Association of the Dominion United Church, Ottawa. (Miss S. H. Eagleson, President).

(i) University Women's Club, St. Catharines, Ontario. (Miss J. Warner, Corresponding Secretary).

(j) University Women's Club, Sudbury. (Miss P. M. Swaine, Secretary).

(k) Soroptimist Club of Ottawa. (Miss Aline Blackburn).

(l) Young Women's Christian Association, Toronto. (Mrs. R. Smith, President).

(m) University Women's Club, Saint John, N.B. (Miss F. M. Dunphy, Secretary).

(n) Federation of Women Teachers' Associations of Ontario. (Miss E. D. Taylor, Executive Secretary).

3. The matter is under consideration.

The following is the answer received from the office of the Minister of Justice:

1. Yes.

2. List of persons and organizations having made representations:

Elizabeth Fry Society,
Public Action Committee,
Toronto Branch,
123 Yorkville Avenue, Toronto, Ont.
(Mrs. G. D. Grube, Chairman)

(Miss Ana Childers)
Toronto, Ont.

National Council of Women of Canada,
Dollarton, British Columbia,
(Mrs. Rex Eaton, O.B.E. President)

Elizabeth Fry Society of Ottawa,
678 Portage Avenue,
Ottawa, Ont.
(Mrs. O. E. Edwards, Chairman)

Elizabeth Fry Society of Kingston,
Royal Military College, Kingston, Ont.
(Mrs. W. Avis, President)

Women's International League for Peace and Freedom,
10 Tichester Rd. Apt. 21 W,
Toronto 10, Ont.
(Mrs. Emma E. Hall, Asst. Corresponding Secretary)

Penal Reform Group, 55 Leacroft Crescent,
Donn Mills, Ont.
(Mrs. R. S. W. Campbell, Chairman)

Canadian Committee on the Status of Women,
204 Carling Avenue, Ottawa, Ont.
(Mrs. G. D. Finlayson, Chairman)

Canadian Federation of University Women,
University of Saskatchewan, Saskatoon,
(Mrs. A. S. Morton, President)

Soroptimist Club of Fort-William—Port Arthur,
222 S. Marks Street,
Fort William, Ont.
(Miss Viola Duffield, Corresponding Secretary)

The University Women's Club of Ottawa,
218 Cunningham Avenue, Ottawa,
(Mrs. E. A. Watkinson, First Vice-President)

The Canadian Committee on the Status of Women,
204 Carling Avenue, Ottawa, Ont.
(Mrs. T. D. Clark Hamilton, Hon. Corresponding Secretary)

Ottawa Women's Forum,
130 MacLaren Street, Apt. 2, Ottawa,
(Miss Ethel H. Kenny, Corresponding Secretary)

Women's Missionary Society of Dominion United Church,
266 Sunnyside Avenue, Ottawa, Ont.
(Christine T. Williams, Corresponding Secretary)

Federation of Women Teacher's Associations of Ontario,
34 Prince Arthur Avenue, Toronto 5, Ont.
(Elizabeth D. Taylor, Executive Secretary)

University Women's Club,
184 Adelaide Street,
St. John, N.B.
(F. Maureen Dunphy, secretary)

Young Women's Christian Association of Canada,
571 Jarvis Street, Toronto 5, Ont.
(Mrs. Ryrie Smith, president)

University Women's Club,
St. Catherines Ont.
(Jessie Warren, Corresponding Secretary)

University Women's Club,
425 Vestview Drive, Sudbury, Ont.
(Pamela M. Swaine, Secretary)

3. The matter is under consideration.

PRIVATE BILL

NATIONAL SANITARIUM ASSOCIATION—THIRD READING

Hon. T. D'Arcy Leonard moved the third reading of Bill S-17, respecting The National Sanitarium Association.

Motion agreed to and bill read third time and passed.

DEPARTMENT OF JUSTICE BILL

THIRD READING

Hon. George S. White moved the third reading of Bill C-47, to amend the Department of Justice Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck moved the second reading of the following bills:

Bill SD-226, for the relief of Viviane Hirsch Montmartin Gadbois.

Bill SD-227, for the relief of Grace Kara Forshaw.

Bill SD-228, for the relief of Gloria Helene Stotland Titleman.

Bill SD-229, for the relief of Armand Simeon Lavictoire.

Bill SD-230, for the relief of Audrey Mary Crosbie Morris.

Bill SD-231, for the relief of Joyce Tabah Tomy.

Bill SD-232, for the relief of Ruth Irene Diakur Mendel.

Bill SD-233, for the relief of Florence Beryl Kellam Weinstein.

Bill SD-234, for the relief of Marie Esteie Caprari.

Bill SD-235, for the relief of Olive Bowes Schofield.

Bill SD-236, for the relief of Jeanne Beauchemin Arpin.

Bill SD-237, for the relief of Jean Claude Bilodeau.

Bill SD-238, for the relief of Robert George Butler.

Bill SD-239, for the relief of Helen Harpes Avon.

Bill SD-240, for the relief of Sonia Slovsky Coppel.

Bill SD-241, for the relief of Shirley Huberman Schreiber.

Bill SD-242, for the relief of Paulette Goldberg Slepp.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 9, 1960

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

Prayers.

Hon. W. M. Aseltine: Honourable senators, before the house adjourned last evening I asked for the unanimous consent of the house to have the resumed debate on the motion for the second reading of Appropriation Bill No. 1, the supplementary estimates, taken up as the first order of business today. I presume, therefore, that will be done.

Hon. Mr. Macdonald: Agreed.

APPROPRIATION BILL NO. 1

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Honourable Mr. Aseltine for the second reading of Bill C-51, for granting to Her Majesty certain sums of money for the public service for the financial year ending the 31st March, 1960.

Hon. Arthur W. Roebuck: Honourable senators, it is not my intention to deal with the details of the bill before us. It is rather too great in detail, when it is considered that the sums of money we are asked to approve today are supplementary to the estimates we have already approved.

I do wish, however, to endorse heartily the suggestion of the Leader of the Opposition (Hon. Mr. Macdonald) that a committee be formed—I suppose on some later motion —to examine industriously and, I hope, with an open mind the vexed question of unemployment. I know that, as he has said, the figures we have at present are confusing because there are too many of them. They come from various sources, but they boil down to this, apparently, that there are something in the order of 500,000 citizens of Canada ready and willing to work who are out of employment.

It is difficult, I suggest, to estimate the hardship, suffering and frustration that come to a worker who finds himself out of work, his source of supply for himself and his family cut off, his time no good, with no place for him in the economic sun, his rent unpaid, the debt to the grocer rapidly mounting, his children not properly clothed or fed, and the lines of worry and care rapidly deepening on the countenance of his wife. That is a terrible situation! I have never had such an experience, but I have seen others in that position and I can tell you it is not something to be envied. It is a terrible thing for every such individual and when the persons who are affected in that way in our community number something like half a million, many of whom are to be counted as families, I look upon it as a national disaster, and I fancy most honourable senators agree with me.

I am not greatly interested in the statement attributed to the Prime Minister, that if he were in power no one would suffer from unemployment. When he made that statement he was evidently not thinking of unemployment; his mind was on votes. So we must not take that too seriously, except to the degree that it teaches the Canadian people that picturesque phrases do not pay grocery bills, and that in the future they should watch out for such buncombe or hogwash instead of falling for it.

Hon. Mr. Aseltine: Can the honourable senator tell me if all these people he mentions are actually suffering, or are they getting unemployment insurance benefits?

Hon. Mr. Roebuck: How would you like to live on unemployment insurance benefits?

Hon. Mr. Brunt: That is not the question.

Hon. Mr. Roebuck: It is the question.

Hon. Mr. Macdonald: It is the answer.

Hon. Mr. Roebuck: These people are not all getting unemployment insurance benefits, by any means. Unemployment insurance runs out very rapidly, and that is not the answer to unemployment. Supposing a man can for the moment carry his family with the insurance benefits, his future is far from satisfactory, and the fact that he is out of work and his time, as I said, no good is a terrible thing in any community.

I will have something to say about unemployment insurance and other payments which the unemployed man is receiving, but let me add, that were it not for the welfare legislation of the Liberal party and the previous Government there would be an entirely different situation in this dominion today. I was here in Ottawa during the Bennett régime, and I can remember seeing soldiers posted outside the Parliament fence and around the gates to keep the unemployed from the Parliament Buildings.

Hon. Mr. Horner: Engineered by the Liberal party.

Hon. Mr. Roebuck: If that was engineered by the Liberal party, the ammunition was given to it by the Conservative party.

Hon. Mr. Horner: They manufactured their own ammunition.

Hon. Mr. Roebuck: I was in Toronto at the close—

Hon. Mr. Horner: I was in Toronto, too.

Hon. Mr. Roebuck: —of the Bennett régime; I was in office in Toronto, and I remember hunger marches on the city of Toronto by men whose minds were filled with hate and who were making a great public demonstration. You do not find that today. The populace is remarkably quiet under the circumstances. It is accepting these conditions more quietly than I would if I were in their place. The reason for the difference between then and now is the welfare legislation of the Liberal party.

The suggestions which were made by the Leader of the Opposition (Hon. Mr. Macdonald), and also, I think, in other places, are all right in themselves, but they do not mean very much. Conferences and royal commissions will stave off the need for immediate decision, but they do not go very far. I suggest that if we are to tackle this question at all—and I hope we will—we must go to the root of the problem. We should study the cause of unemployment, and the remedy, if there is one—and there is—impartially and boldly. I am all for an inquiry by this body, if those who undertake it are seriously bent on finding the cause and applying the remedy. I am not interested in gaining time, or in skating around the difficulty, or in a futile search for some answer which will supposedly help the public without getting the difficulty off its back.

If you are going to make omelets you have to break eggs, and the question of dealing seriously and effectively with the problem of unemployment involves changes in our economic arrangements that will break eggs for some people if they make omelets for others. As I see it, the enterprise of employing men is divided into three factors. First, there is the factor of our great natural resources in Canada. It is not so much the amount or even the richness of our natural resources, but rather their availability for use that counts in promoting enterprise and thus employing men. Second, there is the question of the capital with which to develop our natural resources; and third, there is the manpower for doing the work and providing the management. These are the three great factors which we must take into consideration if we are to promote that industry, activity and enterprise in our community which will absorb these half-million or more of unemployed people.

While it is true that we have great resources, we must not forget that the economic situation has changed in the lifetime of honourable senators. The free land of the west is no longer available. It is practically all gone. The arable land in all of the provinces has been taken up and is held in private ownership. One can no longer register for a claim and commence a business of lumbering, farming or mining. Our forest lands, at least those that are available and usable, are for the most part under lease, and our vacant urban lands, which are very important in this relationship, are held at prices so high as to be almost unusable. For instance, the city of Montreal has vacant land which is assessed on the books of the city for 1958 at $37 million. All that land is suitable for use, otherwise people would not want it and it would not have value, but just try to get a square inch of it! Try to buy enough on which to construct a commerical building or a house. You will find that the price is so high as to make your enterprise of very doubtful profit. The used land in the city of Montreal is assessed at $395 million, and of course the assessment of land is notoriously low in all our cities, including Toronto. Metropolitan Toronto has an assessed value of land as great as $820 million—that is getting close to $1 billion of land value. I am quite sure that if the land were assessed at anything like the price that is being asked for it the figure for land value would be over $1 billion. I am not speaking about building values or business assessment. I am speaking about that value which attaches to the sites of these great cities by reason of the presence and activity of the community and its expenditure on streets, police and a thousand other things of that kind, values which are not due to the activity of the owners, except as part of the community, but are due to public activities and are therefore the property of the public. I suggest that if we are to make our wonderful resources available for development we should shift the nuisance taxes from enterprise, from people who do things, and levy them upon land values.

Let me give a little illustration of what has happened in Canada within my knowledge and in my generation. At one time I lived in northern Ontario, in the town of New Liskeard. I went there in the summer of 1904; I was the editor of the local paper. I was thrilled by the exploits of the army of prospectors who used to go into the wilderness with picks and shovels in their hands and packs on their backs, searching for signs of valuable mineral. That was a fine enterprise. They were splendid men, bold and hardy. Where is that enterprise today? It is all gone,

and has been gone for a long time. Why? Because with every claim they staked, the area for prospecting became less and less. They staked these claims at every sign of calcite and every sparkle of quartz. Then what happened? Well, they were supposed to do work on the claim for three years, and they did. At all events, they registered their proofs of it. Then it passed under patent from the Crown and from then on they paid taxes at the rate of five cents an acre per annum—two dollars for a mining claim of forty acres, a claim which ostensibly was to be a mine. Frequently they did not pay even that. I know, because when we took office in Ontario there were huge arrears of taxes.

What has happened so far as these claims are concerned? Well, the nickel claims have passed into control of the nickel combine, and a vast territory is held for a song, a mere pittance of five cents per acre per annum. A few claims have been developed, and the others are held, not for development, but rather to forestall those who might develop them. If honourable senators wish to promote the mining enterprise—not the mining monopoly, but the mining enterprise, wherever it may be—the way to do it is to multiply the tax of five cents an acre per annum to a fair percentage of the true value. You would then throw open many square miles of territory for re-staking by those who would use it.

Let me give another illustration—and there are thousands of others. I planned at one time to build a house in the city of Toronto. My late wife was complaining about stairs, so I thought I would build her a home in which there would be no stairs. I was amazed to find that to obtain ground in the city of Toronto upon which to erect a house would cost at least $6,000. This sum was simply to get someone out of the way in order to allow me to carry on the enterprise of house builder. The result was that I did not build a house. My experience was that of hundreds of others. What is the great difficulty with regard to house building by the public? Why, the high price that the nation and later the occupier has to pay for just room on which to build a house in a country of hundreds of thousands of square miles in area. That is the national housing corporation's great difficulty, and that also is why private capital looks askance at house building. It is the high price of land.

The first factor is the availability of our natural resources for use by labour and capital. The second factor is the provision of capital. Expenditures from the public treasury of the Dominion of Canada for the year 1959 amount to something in the order of $6 billion. Honourable senators, how can an individual lay up capital when the Government takes from him one-third to one-half of all his gross earnings? How can a corporation gather the capital that is required for extension of its operations or for founding a new enterprise when the Government carries off 45 per cent of its profits annually?

We have been talking a great deal, I notice, in the papers and elsewhere, about American capital coming into Canada. I say, thank God it does come in, and I hope it will continue to do so. I do not know what the economic picture in Canada during the past few years would have been but for the coming in of American capital. We talk about the advisability of our resources being developed by Canadians with Canadian capital. But how is it possible for Canadians to accumulate the capital required for our own enterprise when our Government carries off about one-fifth of our gross national product? And this huge amount is levied almost entirely upon enterprise and not very much on mere ownership. New Zealand has a federal land values tax, and municipal taxes in that country are raised almost entirely from land values.

The great city of Sydney, in South Australia, which has a population of 1.5 million people, raises all its taxes from land values and has none of these nuisance taxes that we have in Canada.

If our Government is sincere in its expressed desire to cure this vexed problem of unemployment by the promotion of enterprise, then I say there are several things which should be done, and I will enumerate them.

In passing, let me say something to the honourable senator from Churchill (Hon. Mr. Crerar). Observe that none of these proposals requires a Government with such wide power as he described, the power to say, "Come and he cometh and go and he goeth", to place men in jobs, to fix wages and all that sort of thing. I think the cure for too much freedom is more freedom, and the cure for abuses of Government is not multiplication of the powers of Government but, usually, reduction of such powers. We can depend upon the patriotism, the ambition, the energy and enterprise of our people to promote economic progress.

These proposals are not necessarily in order of merit. I suggest the first thing we should do in Canada today is to lower our tariffs in order to promote trade, for trade is one of the great factors in our economy. The honourable senator from Colchester-Hants (Hon. Mr. Blois) suggested more "buying Canadian". That is fine. But I say that

much more important than "buying Canadian", is "selling Canadian", because only by selling can we buy Canadian. Only by buying abroad can we sell abroad the products of our lands, of our forests, of our mines and of our cities. Accordingly we should lower our tariffs rather than raise them.

The test of the usefulness of an industry in our community is whether it can make its way at a profit. If an industry must depend upon other industries for its profits or upon inflated prices of the things it sells, then it is not an advantage to the community, it is a disadvantage. It is not an asset, it is a liability. All industries should be subject to that test of whether they can survive and operate at a profit. The workers who are employed in a losing industry should go into one more suitable to this community. We should lower tariffs.

Next, we should cut down our governmental expenditures and live within our means. This business of piling up great debts is a terrible thing. I repeat, we should live within our means. Think of it: we are spending $1,600 million a year on national defence. How much of that is pure waste, I do not know. None of us can follow it in detail. It is a fantastic amount, much of which goes down the drain. I will give you one illustration, and that is the Arrow. We poured $500 million into the building of an aeroplane and sold the scrap for $300,000.

As to welfare expenditures, I think they are our best money. Without such money as unemployment insurance benefits, mothers' allowances and old age pensions we would face a drastic situation in this country that would far exceed in its ruinous character the amount of money we are spending on welfare. Aside from welfare, however, we should reduce the fantastic amounts which we are spending and we should cease in that way to deplete the capital of our citizens.

We should lower the income tax. We should lower the tax on corporations, and so leave more of corporate profits for capital expenditures, in order to build up enterprise and absorb labour.

And finally, we should study the shifting of the burden of taxation from the fruits of enterprise and labour to the fruits of monopoly, chiefly to land values. Let us so encourage industry and, at the same time, so discourage the holding of national resources out of use, that we will cure the vexed question of unemployment.

Hon. R. B. Horner: Honourable senators, I think the honourable senator from Shelburne (Hon. Mr. Robertson) accused me last evening of being bashful. Well, he is quite correct. I plead guilty. At the times he spoke of when I had something to say, it was only because it was necessary that someone should say something, for we were placing the country in the position which the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has just been complaining of. That was why I protested. I understand the honourable senator from Shelburne would like me to deal with the assistance of $15 million given to western farmers because of their snowed-under crop. Well, I certainly know the situation, for I have driven through many miles of the country and seen what has taken place. Much of their fine crop is lying under snow and is wet. A good part of the crop was taken off, but the farmers lost 20 cents a bushel on grading because the grain had to be dried.

While some farmers have been able to bear this financial burden, others have found it difficult to pay their ordinary store accounts and so on. It was therefore decided, as the Leader of the Government (Hon. Mr. Aseltine) has pointed out, that the federal Government, in conjunction with the provinces, should pay a limited sum to cover the unharvested grain.

I have heard it said that it would have been better to advance the money and let the farmers repay it, if they could, when they harvested their crop in the spring. It is just possible that many of them will be able to salvage their crop. I well remember one spring when conditions were ideal, and the crop was harvested without any serious loss. But let me remind my honourable friend from Shelburne (Hon. Mr. Robertson), that those farmers who do salvage their crop will have to pay income tax on their profits; and let me point out to him that a few farmers in the province of Saskatchewan will pay more income tax a year than will all the farmers in his province.

Let me tell you why we find ourselves in difficulty today, and why the farmers of western Canada are appealing for assistance. When the Government of which my honourable friend from Toronto-Trinity formed a part was in power, I came out of my bashfulness to protest against its give-away policy on wheat to the British Government during the war years, with only the proviso that they would "have regard". Well, we know the kind of regard they had: like the shrewd businessmen they are, they were mighty careful to see that we would not in some way try to get back what they had gained. That policy on the part of the former Government meant a loss of hundreds of millions of dollars to the western farmer, so why begrudge them a few dollars of assistance now? And, as I

have said, those who are able to harvest their crop and do not need the help will be paying their share in income tax.

As honourable senators know, I have never hesitated in this chamber to speak in support of matters which I believe would help to create better and more independent men and women. I am all for such things. But I am against schemes which I maintain have deteriorated the moral fibre of our people.

The honourable senator from Toronto-Trinity spoke of the vast land of the west that is no longer available and said that was the cause of some unemployment. I maintain that if people would accept the kind of work which I as a young man accepted, and would work under the conditions and for the hours I worked, not one man in Canada need be idle today. Anyone who has tried to hire men recently will know that to be the fact.

Another occasion when I came out of my bashfulness to speak was when I protested against the setting up of the unemployment insurance fund. I said that with the words "suitable employment" in the act, it could never be successfully administered. And that is just what we have found out. In the days when the Ottawa Valley was being built up, what did the unemployed family man do for winter work? He left his wife and children behind and went into the bush. He would be away as long as seven or eight months, without even a letter from home for two or three months. His wife and children took care of the place in his absence. But what happens under the unemployment insurance scheme? The seasonally unemployed man says he can't leave his wife and family; he must take them with him, and somebody must provide a home for them.

The honourable senator from Toronto-Trinity apparently is of the opinion that a land tax would cure a lot of our ills. In my opinion it would not cure any of them. He suggests that land for homesteading has gone. Let me say that there is today greater opportunity for the young man to establish himself in western Canada than there ever was in the homesteading days. Those were the days of real hardship, when a man had to walk on trails over unbroken land, swim rivers and so on; and when he did reach his land and set himself up, he had no ready market, and even if there had been a market he would have had no way of getting his products to it. Today any man who is worth his salt and is willing to work can obtain credit; he can walk into that area and buy a farm for practically the price of the buildings, the fences and the improvements. But, no, young men are not willing to work. They want an eight-hour day and a five-day week. You just can't break off in the midst of your summer-fallow, when the weeds are getting ahead of you, and insist on short hours of labour.

I repeat, land is available. Farms have been abandoned. There is still land in the Peace River country for anyone who wants to take it. For instance, the honourable senator from Provencher (Hon. Mr. Beaubien) has a beautiful farm, and the conditions under which he would sell it offer much more rosy prospects than his father faced when he went to the west. So it is all down the line: these places are available, but no one wants to work.

The difficulty today, and what I fear most, is this eternal talk of blue ruin. You can bring it about by talking about it. The honourable senator from Toronto-Trinity referred to conditions under the Bennett Government. Let me say, I personally knew men with $2,000 and $3,000 who were riding the freight trains for no other reason than to embarrass that Government. They are well off today, and they had no reason for doing what they did. That was the time when Mussolini and his crowd marched on Rome and took possession of the Italian Government. Much of the marching that took place in Canada in that period was done with the intention of taking over our Government.

I hesitate to say this, honourable senators, but there seems to be an opinion abroad among senators and others that the country is surely going to pot because the Liberal party is not in power. They think there is no man in the Conservative party capable of leading the country in difficult times. Mind you, I have never shared that view. I say their attitude makes the work of the Government still more difficult in these already troublesome times.

That is all I intend to say today, honourable senators.

Hon. J. Wesley Stambaugh: Honourable senators, I have to agree to some extent with the remarks of the honourable senator from Blaine Lake (Hon. Mr. Horner) when he says that everybody can go to work if he will take the kind of job we took when we were young, but for my part I would not like to see my boys out with a yoke of oxen breaking the Prairie sod and living in a sod house.

Hon. Mr. Horner: It is good stuff for them.

Hon. Mr. Stambaugh: Well, I would hope they could do better than that, and I think we should try to make it better for them. As I understand it, that is one of the things we are trying to do.

One of the reasons why I felt called upon to speak today was that there seems to be

a considerable amount of misunderstanding as to just what the situation is in western Canada with regard to the farmers, and the maximum of $600 we are voting to give assistance to those farmers whose crops were snowed under.

In the first place, I would like to say that in Alberta—and I am speaking entirely of Alberta, although this will apply to the west in general—in the last harvest season it rained practically every other day during the latter part of August and the early part of September; and then early in October we had a heavy snow storm which deposited four to eight inches of snow in the district where I live and over the northern part of the province. More than half of the crop there is not even cut, but probably it is in as good shape as if it were.

Today we seldom use a binder. The main reason for this is that we cannot get help, and we have had to purchase expensive combine harvesters. Therefore, generally we are a little later in harvesting our crop, and last fall we—particularly those of us in northern Alberta—were left with crops unharvested. For instance, if I may refer to my own case, I have over 200 acres in crop on my farm, and I got about 40 acres of that harvested. What I did harvest tested a little more than 20 per cent moisture. Grain with that moisture content is dangerous to keep. As a matter of fact, any grain with over 16 per cent moisture content may spoil by heating. It is considered to be dry at 13.6 per cent, and you are taking a chance in keeping it when it tests over that.

Honourable senators, I would like to give you some idea of just what the farmer has to go through, and what conditions he has to comply with in order to be entitled to this help. In the first place, he has to make an application to the council of either the county or the municipal district in which he lives. Our province is divided in three ways. We have counties, municipal districts and local improvement districts. A farmer has to make the same type of application whether he lives in a county, a municipal district or a local improvement district.

To be eligible for assistance a farm operator must have less than 50 per cent of his grain harvested, and have an average yield of grain threshed in terms of wheat of 10 bushels or less per seeded acre. If the yield is 5 bushels or less, he will receive $3 per acre on a maximum of 200 acres; and if it is 10 bushels or less, but more than five, he will receive $2 per acre on a maximum of 200 acres. Payments will be made only to farm operators, so landlords are not eligible. Only one payment will be made to a farm unit. All yields of farm crops will be converted to yield in terms of wheat as per P.F.A.A. schedule.

Honourable senators, you may remember that in January when we were dealing with two bills which were up before the house which guaranteed loans to farmers I protested that we were discriminating against the coarse grain farmer because in respect of oats he could get only 20 cents a bushel on six bushels per acre, which is $1.20 whereas the wheat farmer could get 50 cents a bushel on 6 bushels per acre, or $3. It does not matter now whether he has oats, barley or wheat. It is paid on the basis of so much an acre, and it is a much fairer proposition.

The application for assistance should be delivered to the secretary-treasurer of the municipal district or county in which the farmer happens to live. I might say that farmers can obtain application forms from either the secretary-treasurer or the provincial Department of Agriculture. A farmer who has less than half of his grain threshed must file his application with the municipal council. The application is to be completed by the farmer, but in most cases he gets the grain elevator agent to help him. The reason for this is that in the western provinces any farmer who sells grain must have a permit book issued to him by the Grain Board, in which book every bushel that he sells is entered. The permit book is kept at the elevator where he sells his grain, or, I would say, at least 90 per cent of the books are kept there. A farmer may carry it around in his pocket, but usually he does not do that. He just leaves it at the elevator, so that it is there whenever he takes in a load of grain. A farmer cannot sell that grain without producing his permit book. As I say, the elevator agent generally helps him to make out the application. The number of acres that he puts down must, of course, jibe with the number of acres noted in the permit book, because that permit book is taken out for the previous 15 years and it can be followed up. It is one way of telling whether a farmer is putting the right acreage on his application.

Some people have said to me that all farmers in Alberta will file an application and get $600. Well, such is not the case. In my own district at least half of the farmers have not filed applications. At least, I make that statement because I am quite sure that more than half the farmers did not have 50 per cent of their crops unharvested. In my county more than 1,000 farmers put in applications and only 19 of them were found not eligible.

In the municipal office there is a large map. If you go into any municipal office you will

see on the wall a large map measuring about 4 feet by 10 feet. That map shows all the land in the district, together with the names of the farmers who occupy the land. When the applications come to the municipal office they are pinpointed on this map, so it can be easily seen whether there is more than one application for any single parcel of land. In some cases a man may have made a mistake in his description of the land or have given the wrong township.

Land division is considerably different in Alberta from what it is here in Ontario. I do not know how it is in the Atlantic provinces. Our province is divided entirely into sections which, in turn, are divided into quarters. There are four quarters in a section and thirty-six sections in a township, and in our county there are upwards of sixty townships. That will give you an idea of the size of the county. If an application is wrong as to the land description, or if two applications are made for the same land, it will be necessary to contact the applicants or perhaps even to make an inspection. The applications are checked by the secretary for mathematical errors before being placed before the municipal council for its approval. If they are found to be in order they will be signed by the reeve and the secretary-treasurer, dated, listed, and forwarded to the Field Crops Branch of the provincial Department of Agriculture, which is responsible for making payments direct to the farmers.

The municipal council in my district is composed of seven councillors, each of whom must live in the district he represents. They probably know every farmer in their respective districts and are thus well qualified to pass on applications.

The Government will pay the county $1 for each application processed, and if the council considers it necessary to have an inspection the Government will pay the cost of an inspector at the rate of $15 per day and 12 cents per mile for travelling. As a rule council is able, if it wishes, to procure the services of P.F.A.A. inspectors to make these inspections. These inspectors are used to this sort of inspection and are well qualified to do the work.

There are other hardships our farmers have had to face this year that are a little worse than usual. I think all honourable members are aware that in recent years, because of the surplus of wheat—and in these last two years we have had a little larger carryover of oats and barley than we would like—we have encouraged our farmers to go into mixed farming and raise hogs and poultry. Well, this policy did not work out very well last year. When in Alberta, two weeks ago, I picked up an article in the Red Deer *Advocate,* part of which reads as follows:

> Buyers reported to The *Advocate* Thursday noon that the open market price fetched by grade A hogs shipped from Red Deer had dropped to $17.80 per hundredweight,

Those are dressed hogs.

> the lowest price paid here for hogs in many years. This price compares with the last federal price support level of $20.15 which expired on January 9, when the Canadian Government replaced price supports on hogs with a deficiency payment plan.

Further on the article says:

> At the same time, predictions were being made in packing plant circles that further declines in hog prices were in the offing.

So much for hogs. Egg prices fell as low as 8 cents for grade A large and 7 cents per pound for grade A fowl.

Hon. Mr. Dessureault: What date was that?

Hon. Mr. Stambaugh: About the middle of February.

When I was home I talked to a farmer friend of mine who had shipped to Edmonton a crate of poultry on which he netted 45 cents per fowl. I said: "That's pretty cheap. How big were they?" He replied, "Oh, five or six pounds". He said he had some more, so I drove out to his place, just three miles from Bruce, to get some. He chopped off the heads of ten fowl. There wasn't one under five pounds, but he sold them to me for 50 cents apiece.

Now, you cannot produce grain to feed poultry which sells at that price, to say nothing about getting any pay for your labour. I think it illustrates the plight of the farmer today in that part of the country. We are talking about voting a few hundred dollars for a farmer who has probably lost his crop and is forced to sell his poultry at 50 cents a head and his hogs for 17 cents per hundredweight dressed. So you can see he is in pretty bad shape and is well deserving of assistance. This is no fault of his own. It is not a case of poor farming or poor management. He finds himself in his present predicament as a result of circumstances over which he has no control.

The last date by which a farmer could file an application for assistance in Alberta was February 29. I have a statement here that was made by Mr. R. M. Putnam, Deputy Minister of Agriculture for Alberta, who says that more than 10,000 applications were made by Alberta farmers for relief payments on unthreshed grain. Up to the time of this statement 1,000 of those applications had been processed and the cheques sent out. The

average amount paid the farmers was around $300, just half the allowable maximum amount.

I would like to address a few remarks to the honourable senator from Shelburne (Hon. Mr. Robertson), who seemed so astounded last night that western farmers should need any assistance. I don't know why he should single out the western farmers, for the situation of all farmers across Canada is similar. If the situation is not similar then why, just before we passed this legislation granting assistance of $6 million to western farmers, did we pass legislation granting freight rate assistance to farmers all across Canada, including Nova Scotia? This assistance has been given for years; it is not something that has come up this year for the first time. There is nothing special about the situation of the farmers who benefit from the assistance. They were not snowed under; they were able to harvest their crops. But, we are asked to vote $6 million for the three western provinces—that is, $2 million for each province—and the honourable senator is astounded. Yet we vote $2,500,000 for the farmers of Nova Scotia and it does not bother him at all; he does not even seem to notice it. That is all right, I suppose.

Hon. Mr. Brunt: It depends on whose ox is gored.

Hon. Mr. Stambaugh: This has been going on for 15 years, and in that period of time we have voted a total of $321 million for assistance to farmers in the eastern provinces, including Nova Scotia. In checking back for a couple of years I see that Nova Scotia got about ten per cent of the total, which figures out at $32 million. I think the farmers there needed it, and I voted for it. I was not astounded.

Hon. Mr. Isnor: We helped the west out by buying grain, didn't we?

Hon. Mr. Stambaugh: That is right. You helped us out by getting cheap grain from us in order to compete with us in producing hogs and cattle and chickens. In other words, we subsidized the farmers of Nova Scotia in order to enable them to compete with us on hogs and cattle and chickens. That is the reason why our hogs and chickens are so low in price.

So I feel sorry that my friend from Shelburne (Hon. Mr. Roberston) takes the attitude which he does. I would like, however, to compliment the senator from Kings (Hon. Mr. McDonald), who is quite satisfied and even thankful that he got a little help from us western farmers. He evidently does not grudge us a little help. We in the west did not ask for help every year, as you did; we asked for help just once in a while.

I hope we shall not hear any more about western farmers always looking for a handout and being a sort of poor relations, because that is not true, as anybody who knows the situation will agree.

Hon. Austin C. Taylor (Westmorland): Honourable senators, as a representative of the farmers of Canada, more particularly of the Atlantic provinces, I feel I should have something to say in relation to one or two items in the supplementary estimates.

I wish to compliment my honourable colleague from Bruce (Hon. Mr. Stambaugh) on his presentation on behalf of the western farmers.

I recall that about three years ago I made, as I thought afterwards, some quite heated remarks in support of an item similar to Vote No. 612. First, however, I should like to refer to Vote 611: "Health of Animals Division—Compensation for animals slaughtered".

The honourable senator from Kings (Hon. Mr. McDonald) complimented the Government yesterday on carrying out a wonderful program. I also wish to compliment the Government in this particular field, because it has brought brucellosis under the Animal Contagious Diseases Act. That is one of the most important features of that act, for brucellosis is closely associated with a human disease known as undulant fever, and while there is a great deal of satisfactory work done in the elimination of brucellosis, and compensation given for animals that must be destroyed, the very fact that the disease is now included under the act makes the present act a vast improvement over the former one.

I am not going to compliment the Government on freight assistance as thoroughly as my colleague from Kings (Hon. Mr. McDonald) did yesterday, because the Government is only carrying out one of those good Liberal policies adopted many years ago by a Liberal Government.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Taylor (Westmorland): I am glad that the Government is doing so, and I hope it will continue to do so. I want to suggest to this Government that freight assistance come under a federal act so that the farmers of Canada from year to year will not wonder whether or not the policy is going to be continued. As far as my province is concerned, and I think the same applies to all the eastern provinces, and also probably British Columbia, there is no single policy

adopted by the federal administration which is of so much help and assistance to the farmers as this freight assistance policy. In my province agriculture must be built on the livestock industry, and unless we can secure grain in large volume at reasonable cost it will be too bad for us in the Atlantic provinces.

I have secured some figures which I think will be of interest. As I mentioned a moment ago, this policy was brought into effect by the former Government. That was in 1941. In 19 years of operations the Government has spent $300 million to assist the farmers of the five eastern provinces and British Columbia in getting western grain to those provinces. Another point of interest is that over that period of time 50 million tons of coarse grains and mill feeds have been shipped from the western provinces to the eastern provinces, and to my mind it is the best market the west has had.

Hon. Mr. Reid: It would not have gone to those provinces except for the help they got in the freight rates.

Hon. Mr. Taylor (Westmorland): That is quite true. I was one of those who in former years fought for some assistance in this regard. Under the original plan we asked for the export rate on coarse grains and mill feeds from the west to the Atlantic provinces. That was the first application. I think I pointed out at that time, about two or three years ago, that coarse grains and mill feeds could be shipped from western Canada to the seaboard, to Halifax and Saint John, sent to Germany, unloaded, loaded again and shipped back to Halifax or Saint John, and sold in Saint John cheaper than we could buy it directly from the western provinces. That was one of the reasons why we were handicapped in the Atlantic provinces.

I am glad the Government is going to continue its policy of freight assistance. I am not too bashful to ask for assistance for the farmers of Canada, because of the conditions under which they have been labouring over the years, and, in my opinion, will be labouring for a number of years yet, considering the state of flux the agricultural industry is in, on account of competition, mechanization and new technological changes, which require changing over our whole program. I have no hesitation in asking this Parliament, or any other Parliament, to give assistance to the farm people of Canada so that they can put themselves in a position where they can stand on their own feet after the transition period has expired.

Honourable senators, I wish to give some information and figures to show the position of the farmers today. We have heard a good deal about farm income, both gross and net income, and the rest of it. Gross income does not mean very much to me; the net income is what does mean something to me. I have taken these figures from the *Canada Year Book*, and in doing so I go back to 1952 and I follow right up to 1959. It is true that the figures that I intend to give for 1958-59 are estimates only, but I followed back over the years to 1952 and I found there was very little difference between the preliminary estimates and the final expenditures as compiled by the Dominion Bureau of Statistics. I am only going to give you the two outside years, 1952 and 1959, to indicate what has been happening.

The net income of farm operators, from farming operations, including estimated retail value of farm homes and supplementary payments made under the provisions of the Prairie Farm Assistance Act and the western grain acreage payments, for 1952 and 1959 are as follows:

	1952	1959
Prince Edward Island	$ 20,921,000	$ 11,870,000
New Brunswick	36,689,000	18,853,000
Quebec	277,144,000	185,103,000
Ontario	447,629,000	325,212,000
Manitoba	156,806,000	101,624,000
Saskatchewan	565,514,000	237,327,000
Alberta	359,849,000	241,433,000
British Columbia	39,539,000	52,080,000
Nova Scotia	19,382,000	15,886,000
	$1,923,473,000	$1,189,388,000

So there was $800 million less net income in 1959 than in 1952.

Honourable senators, that has not occurred by reason of lower prices only, but because of the tremendous increase in costs of production. That gap between costs of production and net income of farmers or the prices they receive for the goods they sell has been growing greater and greater until it has become a national emergency.

I was rather disturbed at some of the remarks made by my honourable friend from Shelburne (Hon. Mr. Robertson) last evening. I listened very attentively, and at times I thought I could see written across his forehead the words "Free Trade". I made up my mind, and indeed I have felt for a long time, that I would go along with that to a great extent; but, as I mentioned once before in this house, I am not prepared to go along with it if it is going to be a one-way street. If there is going to be free trade down the street there must be free trade up the street. That is why at the moment I am still saying there must be some support and some protection for the farm people, because, after all, there is no more stabilizing influence in all Canada than the farm population.

I should like now, honourable senators, to bring to your attention one or two other points. I have before me some figures prepared in 1957 which give in detail certain amounts spent by the dominion Government on behalf of various industries in Canada.

To the Department of Fisheries, on behalf of various activities of the fishing industry, the sum of $1,962,548 was paid.

The Department of Labour was paid out of ordinary revenue the sum of $67,374,016. Included in that amount is $1,016,679 for administration of the Government annuities office, $28,982,936 for administration of the Unemployment Insurance Commission and $37,363,867 as the Government contribution to the insurance fund.

Hon. Mr. Crerar: In what year was that?

Hon. Mr. Taylor (Westmorland): 1956-1957.

In the same year there was paid out in gold, coal, iron and steel subsidies the sum of $18,270,141.

A total of $26,634,259 was paid out for shipping, railways and canals. Included in this last item is the cost of administering, operating and maintaining free canal services, $6,786,091. Not for one moment was consideration given to the fact that the farmer is paying for the protection of hundreds of industries in this country through tariffs and other taxes of which the farmers pay their full share. For that reason I have no hesitation in saying before this house or before any group that I am not abashed in any way when I ask that the Government give consideration to the farmers, not only at this time, but until such time as they can get on their own feet. I assure you that the farmers are not anxious to ask for handouts or subsidies. They would much rather stand on their own feet and pay their own costs, if you like. But I say they need support at the present time, that farmers and their families all across this country are in need of support in view of what has happened over the last few years. The honourable senator from Blaine Lake (Hon. Mr. Horner) mentioned, for instance, the hours that these people work—seven days a week, 52 weeks a year. We must give some consideration to that aspect.

The agricultural problem is a very serious one. I believe the Prime Minister probably did not know what he was facing when he made certain statements in the 1957 general election campaign. May I quote from a speech he made at Massey Hall in Toronto on April 27, 1957:

> We will assure the farmer of his fair share of the national income by maintaining a flexible—and I underline the word 'flexible'—price support program to ensure an adequate parity for agricultural producers based on a fair price-cost relationship.

Now, we all know that that has not been done. And I think we must all admit that one of the most difficult problems facing any Government today is how to bring about a condition of that sort. Let us face the facts. I do think that instead of piling up farm surpluses under our present set-up and methods of production and our present system of mechanization and all the rest of it, we should be getting some of this food to the needy peoples of the world to keep them from starving to death or at least to see to it that for a few days of their lives they would not go to bed hungry.

A number of years ago, when I attended a meeting of the International Federation of Agricultural Producers, the Canadian Federation of Agriculture presented a plan to the Food and Agriculture Organization in which they recommended that an international food bank be set up, and that money should be provided for this purpose by the western nations or by the F.A.O. But they were not successful with it.

I do not wish to compliment the present Government any more than I should, but I believe credit should be given where credit is due. The Government recommended to the F.A.O. conference held in Rome last November that an international food bank should be set up, that the nations belonging

to F.A.O. should contribute funds for this purpose and that such a bank would supply food to needy countries where there are millions of people who never have enough to eat from the time they are born until they die. Instead of giving some of the surplus food we have in Canada to Canadian people who are well able to pay for it, I think we would be much better off, if we ever hope to save democracy for the world, by sending food to people who do not have it. In my opinion there is no more honourable way of bringing about good feeling between peoples of different nations than by first giving the hungry enough to eat so that they are strong enough to go ahead and try to make a living for themselves.

Therefore, honourable senators, I wish to express full support of those items to which I have referred. I do not make special reference to the vote for $6 million—I think the honourable senator from Blaine Lake (Hon. Mr. Horner) said it was $15 million—to provide assistance to the farmers of western Canada. That matter has been well covered by the honourable senator from Bruce (Hon. Mr. Stambaugh), and I support it. I would not wish to do anything that would widen the split between east and west. I know the honourable senator from Shelburne (Hon. Mr. Robertson) in his remarks last evening did not wish to cause any rift between the east and the west. I must say, however, that when I heard him ask the senators on the Government side where the money was going, I thought he had reference to the money that was being paid by the Government to the western farmers. Having since read his remarks I now have a more accurate picture of what he had in mind, and I firmly believe that there is complete understanding between the east and the west. There was a time during the thirties when we had difficulty in appreciating each other's problems, but the situation has now changed. Indeed, if we in the east did not have good relations with the west we would never have received the transportation assistance we now have on feed grain for eastern farmers. I assure honourable senators that the relations between the east and west are of the very best, and I hope that nothing will be done here to change that happy situation.

In closing, may I say that I appreciate what has been done for the farmer, and I hope that more will be done for him. I also hope that the Leader of the Government in this house (Hon. Mr. Aseltine) will bring to the attention of the Government the need for legislation to put the freight assistance to farmers on a permanent basis, so that they can go ahead from year to year and plan for the future.

I should like to repeat what I said some time ago when speaking on the subject of land use in Canada, that the time has come when this country should have legislation for rural development. By that I mean legislation which will take the place of the present P.F.R.A. and the M.F.R.A. and other measures. I would like to see a comprehensive act brought into force that will take in all the related measures in each province, so that each area may be able to meet its problems and get such assistance as necessary from the national Government. I am not going into the details of that proposal—I trust I shall have an opportunity at a later date to do so—but I strongly feel that legislation along that line should be introduced as early as possible.

Hon. David A. Croll: Honourable senators, I do not propose to involve myself in the debate between the east and the west. I am just a poor citizen of Ontario—

An. Hon. Senator: Poor?

Hon. Mr. Croll: —who pays the shot, no matter which way it goes, and am very glad to do it.

My purpose in rising today—and I shall be brief—is to support the very constructive suggestion made by my honourable leader (Hon. Mr. Macdonald) for the appointment of a committee of this house to study the manpower situation in this country. I should like to enlarge on the scope of the idea he proposed, because I think the time for positive action in this respect is long overdue.

Let me briefly indicate that the problem of unemployment has various aspects. We talk of seasonal unemployment: that comes to us, and has been coming to us every winter, and is aggravated by habits and patterns. We even think in terms of winter unemployment, and what is even more unfortunate, we actually plan for it. We have what we call cyclical unemployment, which is due to the ups and downs of business and is a condition that can take place at any time. Indeed, it is happening more often than not these days. We have what we call technological unemployment, which results from automation. It has come upon us rather suddenly and we are not properly prepared for it.

Be that as it may, we have these three aspects of unemployment, and we have had them for some considerable time.

We now have what we call chronic unemployment, a condition that is very much like a disease and has continued for a long time. Every month I receive certain figures from the Department of Labour, a service

which honourable senators can obtain if they wish. Let me refer to the figures I have before me to indicate what I have in mind when I speak of chronic unemployment. I shall give the unemployment figures for two comparable dates, namely, January 15, 1959 and January 14, 1960, and the regions and cities to which they apply.

Region and Local Office	Jan. 15 1959	Jan. 14 1960
Atlantic Region		
St. John's, Nfld.	17,651	18,422
Moncton	10,990	10,159
Quebec Region		
Montreal	84,653	83,165
Quebec	18,050	17,457
Ontario Region		
Hamilton	17,811	16,811
Toronto	67,377	72,225
Prairie Region		
Winnipeg	23,105	22,440
Calgary	10,218	11,270
Edmonton	18,021	17,039
Pacific Region		
New Westminster	11,948	10,959
Vancouver	36,185	34,116

My purpose in bringing those figures to the attention of the house is not to criticize the Government, but to indicate to you that the problem is becoming a deep one. I can obtain for you the figures for the year before that, and indicate to you that this is something comparatively new and something that is very dangerous. It is affecting the economy and the morale of this country.

How do we deal with it? Well, unless we know the symptoms, unless we know what has brought this on, we are not likely to be able to find a solution. We are faced in this country with a situation in which 10 per cent to 12 per cent of the working force is unemployed. That should stagger the minds of all honourable senators. If I recall correctly, during the depression the total unemployed averaged 15 per cent of the working force, although I am not sure of that figure, and I may be wrong. Now we have from 10 to 12 per cent of the people unemployed. You cannot attribute that to seasonal employment. You cannot attribute that to cyclical employment. This goes much deeper than that, very much deeper. We look around and try to find a possible cause, and we say that much of it is due to automation, and much of it is chronic. But in any event we cannot any longer ignore it.

One of the things that has contributed to a great amount of unemployment in this country is the Government's policy with respect to housing. I know that we Liberals are the people who are blamed for tight money, but, believe me, money has never been as tight as it is at the present time, particularly for purposes such as housing. A year ago in this country loans made in the month of January under the N.H.A. totalled 2,993. In January of 1960 the loans accepted under the N.H.A. totalled 100. That will show you how tight money is.

I said that I was not going to blame unemployment upon the Government in office at the present time. I am prepared to forgive the Government for having said in 1957, upon taking office, that the unemployment problems belonged to the Liberals. Very well; there was some justice to that. In 1958 the Government still had not had too much time and the problem still belonged to the Liberals. I will accept that statement because there was some justification for it. Now, I say to my friends opposite, do not smile, because I am going to read you something that will pin it on you forever and a day. You said that in 1957, in 1958 and in 1959. You admitted in 1959 that the Government of the day should bear some of the responsibility, but I would like to refer you now to something that was said on March 3 this year. I am looking at page 1699, on the left side of the page,—

Hon. Mr. Dessureault: What are you reading from?

Hon. Mr. Croll: *Hansard* of the House of Commons.

Hon. Mr. Aseltine: You are not supposed to read from that.

Hon. Mr. Croll: Yes, I am. I have done it on many occasions, as you and others have. This is the Minister of Labour speaking:

> The government as a whole—I have said this on previous occasions and I repeat it—has assumed the responsibility for unemployment. We have said that right from the start, and this is possibly the only time that a federal Government in this country within recent years has accepted that responsibility.

I go on:

> This present Government is responsible for that problem and has been responsible for it. I, as Minister of Labour, answer on behalf of the Government in this respect.

Now, that should settle it for everyone.

Hon. Mr. Brunt: That means just looking after it, looking after employment.

Hon. Mr. Croll: Of course, by getting jobs for the unemployed. That is the only way you can look after unemployed persons. Unemployment relief is no substitute for jobs. That is not a way of life, and it was never intended to be.

If my honourable friend will say that that is the policy of the Government, and that unemployment insurance is the new way of life under this Government, I am prepared to accept his statement now. I have been in political life for a considerable number of years. I have lived with the problem of unemployment. I am not suggesting here that I know the solution to unemployment, but it just does not make sense to me to deal with a problem without knowing what causes it. If the Government of the day knows everything there is to be known about the manpower of this country, then what is the solution to our unemployment problem? My suggestion is that it does not know and that no Government before it knew. There is a field here which has not been fully investigated. The Government today does not know where there are areas of surplus labour or where there are areas that are in distress. It is not possible for it to know, because there is no body under the Government administration at the present time to provide the information.

I am not laying too much blame on the Government for the situation in Elliot Lake, but it is not going to do any of us any good to be able to boast about having the nicest ghost town in North America. There comes a time, particularly in dealing with unemployment, when you have to throw politics aside. We are seeking a solution to the problem, and all I am suggesting is that this house has the time, the energy and the ability—and it can be non-partisan when it wants to—to make a study of this problem. What have we got to fear? This house proved conclusively last year when it dealt with the inflation that it can do a job. There was not the slightest suggestion of partisanship, and although the committee's report did not burn up the hustings and it was not the greatest report ever written, there were some concrete and sound ideas in it. People who had knowledge came before the committee and contributed something which assisted us in reaching a conclusion.

Let me give you an example of the lack of worth-while information. The Dominion Bureau of Statistics tells us there were 504,000 unemployed in January, and then we find that the Unemployment Insurance Office states there are 782,542 persons drawing unemployment insurance. If you subtract 504,000 from 782,000 you find there are, in round figures, 278,000 more people collecting unemployment insurance than the Dominion Bureau of Statistics says are unemployed.

Hon. Mr. Brunt: Does that represent the number drawing unemployment insurance or the number registered as unemployed?

Hon. Mr. Croll: The number registered as unemployed is 755,387, which is less than the number drawing unemployment insurance. Yet, we know that a great number of those who are registered for employment are, in fact, employed and trying to get other jobs. The whole thing is confusing.

Hon. Mr. Burchill: Cockeyed.

Hon. Mr. Croll: "Cockeyed" is hardly a fair term. It is too mild. One does not know where to turn and the whole thing indicates that the Government itself doesn't understand what is going on. It is impossible to make sense out of these figures. How can you deal with a problem until you know what the problem is? We hear constant talk that there are abuses under the Unemployment Insurance Act. I don't know whether there are. I do not draw unemployment insurance and the people who talk to me about it do not suggest they abuse the act, but there is constant talk that unemployment insurance is no longer operated under the insurance principle. I have heard this said in this chamber by many distinguished and renowned gentlemen, including the honourable senator from Churchill (Hon. Mr. Crerar).

Hon. Mr. Burchill: And you yourself said it last year.

Hon. Mr. Croll: Well, that shows you how true it is.

But what are we doing about it? If there are abuses under the Unemployment Insurance Act—and the usual examples involve seasonal workers, pensioners and married women—then let us find out about it. I can tell you that business and industry are accused of abusing the fund in the same way that some other people are. It may come as a surprise to learn that industry is using the fund today in the same way that relief was used in another day when people were laid off work and called back when needed. Today it is common for big industries to put so many stamps in their employees' unemployment insurance books, enough to qualify them for unemployment insurance, and then lay them off and call them back when needed again. It all adds up to the fact that we are subsidizing these industries. No one is doing anything about correcting this situation. Everybody is getting his hand in the pot, but the pot is going to start running short and it may not exist at all after a while. Employees and employers have contributed to the fund and they feel they have rights, as they have under the act. We should know exactly who is benefiting under this act. We have got to have a thorough investigation of the manpower situation and its related aspects in this country in order that we may know exactly what to do.

Full employment must be the purpose of any Government in office, and it must be our purpose as well. We are a long way from achieving this goal at the present time and no one seems to have any answers. There is no shelf of work available to help out now, and unfortunately prospects are not at all good for the future. If we do not find some solution to the problem, then certain solutions will be forced upon us. Canada is a relatively new country when compared with other countries and other economies, and if we are not able to solve this unemployment problem at the present time we are going to be in for real trouble. We seem to be devoid of ideas. Great Britain, with a population of 55 million, has only 200,000 unemployed and she is worried about having that many. And listen to this. Last year Britain brought in 50,000 more immigrants than did Canada. That is something not generally known. It will not be long before an agitation is started in this country to cut down the working week to 40 hours while maintaining the same take-home pay. That will be an understandable request in order to provide work for the people. And you can't blame them.

Hon. Mr. Hayden: Did the honourable senator say a 40-hour week?

Hon. Mr. Croll: Yes.

Hon. Mr. Hayden: We have that now.

Hon. Mr. Croll: We have in some industries but not in the majority, not maintaining the same take-home pay. We will find that we will have to retrain people who have been replaced by automation. We should have done this long ago.

My contention is that the Senate can study this unemployment problem in a non-partisan fashion by calling before one of its committees some of the people who are concerned and others who have something to contribute to the general knowledge. Then we can make a report to the Government. The Government need not accept any part of the report, but at least the problem will have been placed before it so that something can be done. It isn't good enough to say to the Liberals, the C.C.F'ers or any other group, "Well, what's your solution to the problem?" That is not good enough. A Government has responsibilities and must come up with solutions. This is a big and important problem and we are here to help. We are offering to help, and why the Government should shut its eyes to this offer from all of us is something I cannot understand. If such a Senate committee in any way became partisan it would lose its effect and would be of no value. The country has everything to gain by such an inquiry, and the Government can be assisted by a body that is capable of doing what no other body can do as well. I support wholeheartedly the suggestion made by my honourable leader (Hon. Mr. Macdonald) that a Senate committee be appointed for the purpose of studying the manpower situation and the incidents relating thereto.

Hon. W. M. Aseltine: Honourable senators, I have a few words to say. I do not intend to be drawn into a long debate—

The Hon. the Speaker: If the honourable Leader of the Government (Hon. Mr. Aseltine) speaks a second time he will close the debate.

Hon. Mr. Aseltine: I do not intend to be drawn into a long debate on the question of employment or unemployment at this time. No doubt that will come at a later date. When I was explaining the supplementary estimates in detail yesterday, some questions were asked which I hope I shall now be able to answer. I would also like to tell honourable senators that, in my opinion, the total estimates of last year, including supplementaries, according to the records which I have obtained since yesterday, were approximately correct.

The main estimates were $5,595,848,557, budgetary; supplementary estimates, $54,140,-979; further supplementary estimates, covered by the bill now before us, $31,960,511, making a total of $5,681,950,147. In addition to these budgetary items there were certain loans amounting to $189,676,654. I am quite satisfied that the Leader of the Opposition (Hon. Mr. Macdonald) included the loans which are repayable in the figure which he gave us and which I have written down as $5,748,738,902.

Hon. Mr. Reid: Were the loans for Old Age Security?

Hon. Mr. Macdonald: No. The $577 million for Old Age Security is in addition to those payments.

Hon. Mr. Aseltine: That amount is not in these loans, as far as I know.

The honourable junior senator from Winnipeg (Hon. Mr. Wall) asked for a breakdown by provinces, under Vote 618, for campground and picnic area developments. The estimated federal contributions to provinces from the $800,000 requested in the further supplementary estimates for 1959-60 are as follows:

Nova Scotia	$ 12,000
New Brunswick	5,000
Ontario	500,000
Manitoba	50,000
Saskatchewan	53,000
Alberta	60,000
British Columbia	120,000
Total	$800,000

Hon. Mr. Vien: How much for Quebec?

Hon. Mr. Aseltine: Quebec never entered into any arrangements.

The honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) asked a question with regard to the purchase price of the Hampton site, Vote 625. The purchase price was $2,725,000. As I stated last evening, it was resold to the United States of America for $2,750,611.69, which amount covered the purchase price and all costs in connection with the transaction.

I have answered the easy questions first.

The honourable senator from Inkerman (Hon. Mr. Hugessen) inquired whether the provincial schemes referred to in Vote 613 were approved by the Governor in Council. The answer, as I have it, is that after this supply measure has been authorized by Parliament the order in council will be issued setting forth the terms and conditions of payment, and if the provincial schemes come within these conditions the provinces will receive the contributions. It is not a question of approval, but rather a question of coming within the requirements laid down by the order in council when it is passed, and the Government is on record as to what the limits of the assistance will be.

The honourable senator from Toronto (Hon. Mr. Hayden) asked a question with regard to Votes 618 and 622 and asked me to supply him with certain material. I have done the best I could for him. I have laid on his desk an order in council in connection with Vote 622, with a form of agreement attached, and also order in council in connection with Vote 618. I do not know whether they are satisfactory to him or not.

Hon. Mr. Hayden: The information the honourable leader has furnished is sufficient for the purposes of my question.

Hon. Mr. Aseltine: I have answered your questions?

Hon. Mr. Hayden: Only in relation to Votes 618 and 622.

Hon. Mr. Aseltine: Oh, you want the other one?

Hon. Mr. Hayden: Yes.

Hon. Mr. Brunt: You will get that later.

Hon. Mr. Aseltine: I would really like to continue. I wonder if I could give that to the honourable senator later?

Hon. Mr. Hayden: Oh, yes.

Hon. Mr. Aseltine: Honourable senators, that is all I have to say at this time. I appreciate the interest which has been shown. A good many senators have spoken on the bill. I hope it will be read the second and third times now, and that it will receive royal assent later today, particularly because some people have been waiting quite a long time for compensation for diseased cattle that were destroyed.

Hon. Mr. Haig: Honourable senators—

Hon. Mr. Macdonald: The honourable senator has already spoken.

Hon. Mr. Haig: I wanted to ask a question.

The Hon. the Speaker: The debate is closed.

Motion agreed to and bill read second time.

THIRD READING

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

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

Hon. Mr. Macdonald: The honourable senior senator from Winnipeg (Hon. Mr. Haig) rose to speak previously. Probably he would like to speak now.

Hon. Mr. Aseltine: He just mentioned to me that I had referred to him. I referred to the junior senator from Winnipeg, did I not, when I gave the answer?

Hon. Mr. Croll: Yes.

Hon. Mr. Aseltine: He tells me I referred to the senior senator from Winnipeg. I made no reference to him whatever. I particularly used the word "junior".

Hon. Mr. Haig: I happen to be the honourable gentleman from Winnipeg. An honourable gentleman who came to this house recently is the honourable member from Winnipeg South (Hon. Mr. Thorvaldson). There is quite a difference. For many years after I first came to this house I was known as the junior senator from Winnipeg, but I never liked that designation at all. If the honourable senator from Winnipeg South does not like that designation I would not mind having it, but I have been the senator from Winnipeg for over twenty years and I just do not like to give up that designation without a struggle.

Hon. Mr. Brunt: You won't have to.

Hon. Mr. Aseltine: I will say to the honourable senator from Winnipeg (Hon. Mr. Haig) that if I applied the wrong designation to him I apologize.

Hon. W. Ross Macdonald: Honourable senators, before the bill is read the third time I would like to say that I am pleased that the suggestion I made on the question of

manpower has met with the approval of at least three honourable senators, two on this side of the house—the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Toronto-Spadina (Hon. Mr. Croll)—and at least one on the other side of the house, the honourable senator from Colchester-Hants (Hon. Mr. Blois). I hope it will receive the thoughtful consideration of other honourable senators. I trust especially that it will receive the consideration of the Leader of the Government (Hon. Mr. Aseltine). I was rather disappointed that he did not refer to that subject when he spoke a moment ago, but probably he has not had time enough to give it the consideration to which it is entitled. I refer to the proposal for setting up a committee. I would suggest that he might read the leading editorial in the Ottawa *Journal* of last night. I know he thinks a great deal of the editorials in that paper, and if he will read that editorial he will find approval of an investigation of this type. True, the editorial does not say the investigation should be made by the Senate, but if there is to be one I feel there is nobody in this country more capable to make it than a committee of this house. I do trust the Leader of the Government will give very careful consideration to the suggestion.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

CONVENIENT CREDIT LIMITED—REPORT OF COMMITTEE ADOPTED

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-22, to incorporate Convenient Credit Limited, and had directed him to report the same to the Senate with two amendments.

Amendments read by the Clerk Assistant:

1. Clause 1, lines 14 and 15: Strike out lines 14 and 15, and substitute therefor the following: "are incorporated under the name of Laurentide Finance Company, and, in French, Laurentide, Compagnie de Finance,"

2. In the title: Strike out the title of the Bill and substitute therefor the following: "An Act to incorporate Laurentide Finance Company."

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the only change made in the bill was a change of name and that was done at the request of the promoters of the bill. It will be recalled that the name proposed in the bill was Convenient Credit Limited. I do not know whether the promoters had been peeking into our minds, but in anticipation of any possible objection to such a name they asked to have it changed to Laurentide Finance Company. The committee has made that recommendation, and that is the explanation of the proposed amendments.

Report adopted.

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

Hon. Mr. Méthot, for Hon. Mr. Monette, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

(Company's name on third reading of bill: Laurentide Finance Company. See p. 332.)

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa

March 9, 1960

Sir:

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Wednesday, the 9th March, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
E. Joly de Lotbinière,
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate,
Ottawa

DIVORCE

BILLS—THIRD READINGS

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-226, for the relief of Viviane Hirsch Montmartin Gadbois.

Bill SD-227, for the relief of Grace Kara Forshaw.

Bill SD-228, for the relief of Gloria Helene Stotland Titleman.

Bill SD-229, for the relief of Armand Simeon Lavictoire.

Bill SD-230, for the relief of Audrey Mary Crosbie Morris.

Bill SD-231, for the relief of Joyce Tabah Tomy.

Bill SD-232, for the relief of Ruth Irene Diakur Mendel.

Bill SD-233, for the relief of Florence Beryl Kellam Weinstein.

Bill SD-234, for the relief of Marie Esteie Caprari.

Bill SD-235, for the relief of Olive Bowes Schofield.

Bill SD-236, for the relief of Jeanne Beauchemin Arpin.

Bill SD-237, for the relief of Jean Claude Bilodeau.

Bill SD-238, for the relief of Robert George Butler.

Bill SD-239, for the relief of Helen Harpes Avon.

Bill SD-240, for the relief of Sonia Slovsky Coppel.

Bill SD-241, for the relief of Shirley Huberman Schreiber.

Bill SD-242, for the relief of Paulette Goldberg Slepp.

Motion agreed to and bills read third time and passed, on division.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 254 to 269, which were presented yesterday.

On motion of Hon. Mr. Gershaw, for Hon. Mr. Roebuck, chairman of the committee, reports adopted.

The Senate adjourned during pleasure.

At 5.45 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act for the relief of Frank Gerald Donnelly.

An Act for the relief of Romeo DiIorio.

An Act for the relief of Marie Evelina Simone Lorette Charest Gelinas.

An Act for the relief of Yvette Dubois Leduc.

An Act for the relief of Lily Cohen Turner Hamburger, otherwise known as Lily Cohen Turner Hamburg.

An Act for the relief of Marthe Turcotte Bazire.

An Act for the relief of James Joseph Kalmin.

An Act for the relief of Barbara Dolores Jones Ogilvie.

An Act for the relief of Margaret June Barrie Belanger.

An Act for the relief of Hannah Margaret Burlie Griffiths.

An Act for the relief of Ruth Sherman Roll.

An Act for the relief of Francis Lawrence Bray.

An Act for the relief of Beverley Cowan Moore Robinson.

An Act for the relief of George Barrington Redfearn.

An Act for the relief of Shirley Veronica Hannah Groves.

An Act for the relief of Leonia Szafarz Falk.

An Act respecting The British and Foreign Bible Society in Canada.

An Act to amend the Department of Justice Act.

Hon. Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 10, 1960

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

Prayers.

INDIAN AFFAIRS

MESSAGE FROM COMMONS PROPOSING APPOINTMENT OF JOINT COMMITTEE

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that a message has been received from the House of Commons in the following words:

That a joint committee of the Senate and House of Commons be appointed to continue the examination and consideration, begun by a joint committee of the Senate and House of Commons, pursuant to a resolution of the House on April 29, 1959, of the Indian Act, Chapter 149, R.S.C. 1952, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, on the social and economic status of the Indians;

That twenty-four members of the House of Commons, to be designated at a later date, act on behalf of the House as Members of the said committee, and that Standing Order 67 (1) of the House of Commons be suspended in relation thereto;

That the records, exhibits and evidence received and taken by the joint committee during the last session of Parliament aforesaid be made available to the said joint committee and made part of the records thereof;

That the said committee have power to call for persons, papers and records and examine witnesses under oath; to sit while the house is sitting, and to report from time to time; and to print such papers and evidence from day to day as may be ordered by the committee and that Standing Order 66 be suspended in relation thereto;

And that a message be sent to the Senate requesting that house to unite with this house for the above purpose, and to select, if the Senate deems advisable, some of its members to act on the proposed joint committee.

Honourable senators, when shall this message be taken into consideration?

Hon. W. M. Aseltine: I move that it be considered now.

Motion agreed to.

NOTICE OF MOTION

Hon. Mr. Aseltine: Honourable senators I give notice that on Tuesday next I will move the following motion:

That the Senate do unite with the House of Commons in the appointment of a joint committee of both houses of Parliament to continue the examination and consideration, begun by a joint committee of the Senate and House of Commons, pursuant to a resolution of the Senate on May 5, 1959, of the Indian Act, Chapter 149, R.S.C. 1952, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, on the social and economic status of the Indians;

That the following senators be appointed to act on behalf of the Senate on the said joint committee, namely, the Honourable Senators Boucher, Croll, Dupuis, Fergusson, Gladstone, Horner, Inman, MacDonald, Méthot, Smith (Kamloops), Stambaugh and White;

That the records, exhibits and evidence received and taken by the joint committee during the last session of Parliament aforesaid be made available to the said joint committee and made part of the records thereof;

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

That a message be sent to the House of Commons to inform that house accordingly.

PRESS REPORT

QUESTION OF PRIVILEGE

Hon. Jean-François Pouliot: Honourable senators, now that the urgent Appropriation Bill has been disposed of, and before Education Week is over, I have to rise on a question of privilege, the subject-matter of which is the sensationalism of prefabricated interviews and the falsehood of some scoops.

Sensationalism is defined as "The use or effect of subject-matter and literary treatment calculated to arouse excited interest and emotional response".

On Friday last, March 4, in the afternoon, I received an urgent call from a Press Gallery reporter for a five-minute interview. I answered him that I was too busy to receive anyone. Although he did not tell me what it was all about, as he was very insistent over the telephone I told him to come up.

A black-out which stopped the elevators occurred at that very moment, but he was so eager to see me that he walked up three flights of stairs to my sixth-floor office to show me the External Affairs bulletin of January last, which he was holding in his hand and which I had not received nor read. After he had drawn my attention to Professor Arnold J. Toynbee's six-and-a-half-page speech on "The Problem of World Population and Food Supply", which was therein, I told him that to have published it in an official Canadian periodical was pure nonsense.

I have no apology to make for that statement, which could have been broadcast from all the loudspeakers of the land, but it was far from being sensational enough "to arouse excited interest and emotional response".

To provide for a good weekend scoop to appear the morning after on the third page of the Saturday *Telegram*, the reporter had

to magnify what I had said by putting on my lips what he had on the tip of his pencil or what he had previously written in his note-book.

To my great surprise, I did not recognize my statement when I read it the day after in the *Telegram*. It was as follows:

GOV'T "TRASH" ON BIRTH CONTROL ATTACKED
(The *Telegram*, Toronto, Saturday, March 5, 1960, by Peter Dempson, *Telegram* Staff Reporter,

OTTAWA—A Quebec senator yesterday criticized the federal Government for publishing in one of its booklets a speech by a world-famous historian advocating birth control.

Hon. Jean-François Pouliot said the Government in effect was endorsing the views of Dr. Arnold J. Toynbee on family limitation.

The speech by Dr. Toynbee was given to the Food and Agriculture Organization's conference in Rome last November.

It appears in the current issue of External Affairs, published by the External Affairs Department. The blunt 69-year-old Quebec senator who has frequently spoken out against divorce and birth control said in an interview the Canadian taxpayer should not be expected to pay the cost of publishing "such trash".

I have spoken many times about divorce, but only once on birth control. It happened seventeen years ago, on May 17, 1943, and my remarks are on pages 2744 to 2747 of the Commons *Hansard*.

What surprised me much more was to read on the same day, Saturday last, March 5, a similar interview which had been published simultaneously in the Ottawa *Citizen*. The headline was as follows:

SENATOR ATTACKS
EXTERNAL AFFAIRS
BOOKLET ARTICLE
By Greg Connolley
Citizen Parliamentary Writer

—whom I do not know, whom I never met, and to whom I have never spoken.

It is evident that both reporters had concocted their scoops together.

Then, the Canadian Press took for granted that both so-called interviews were accurate and gave them the widest publicity.

To conclude: Since I have been elected to Parliament it has been my practice to make no attack elsewhere than from my seat in the House of Commons or in the Senate, and an accurate report of all my speeches can be found in the *Hansards* of both Houses of Parliament, and you may be sure that I never asked any ghost-writer for his services. Believe it or not, I make my own speeches.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, March 15, 1960, at 8 o'clock in the evening.

Motion agreed to.

THE LATE CARDINAL STEPINAC

Hon. John J. Connolly rose pursuant to notice that he would "draw to the attention of the Senate the significance of the career of Aloysius Cardinal Stepinac, who died in Yugoslavia on February 10, 1960".

He said: Honourable senators, the critical world spectacle today, I think it is fair to say, is the contest between the east and the west. There is on both sides a build-up of a military establishment, and there is a development of economic rivalries, which I think threaten the established order of things as civilized people want to see them. To try to ameliorate these conditions, goodwill tours have been undertaken by such prominent world statesmen as the Prime Minister of Great Britain and the President of the United States, to win support for their views and for the position of the west, not only among the uncommitted countries, but as well with countries and the peoples of countries behind the Iron Curtain. Similarly, the leader of the Russian state has been making goodwill tours.

But many people ask, why is this explosive situation being developed? It seems to me that the answer lies beyond the realm of military or economic or even diplomatic science. The two systems certainly are the antithesis one of the other.

The west, as we understand it, is heir to the culture of the Mediterranean basin, the humanism of Greece, the law and order of Rome, the monotheism of Israel and the Christian dispensation. That culture involves the ideas of personal dignity, personal goodness, free institutions, personal responsibility and the acceptance of the rule of law. All of these things are the acknowledged patrimony of mankind. They are the hallmarks of the west, they are the rules by which the west wants to live, they are the rules which civilized people want to see applied. We think they are the rules of enlightenment.

Contrasted with that culture and basic to the Russian policy is the philosophy of Marx and of Engels. We call it communism. It is a philosophy thoroughly materialistic in theory and in practice, in content and in method. It is state controlled, it is totalitarian, it is authoritarian. For it the life of the spirit is a sham. It rejects both the Christian ethic and the mysticism of the east. Its methods include subversion to its purposes of men and of nations. The god is the communist state, and Marx and Engels are its prophets. It is preached by its adherents with the fervour of a religion.

At times when crises arise within nations, a great man emerges as the symbol of the

hopes and aspirations of his people. One such man was Don John of Austria, the leader of the forces of Europe which stemmed the Turkish tide in the sixteenth century, and of whom Mr. Chesterton wrote:

The last and lingering troubadour to whom the bird has sung
That once went singing southward when all the world was young.

So too was Lincoln in the contest between the states; so too was Washington in that country at the time of the gaining of independence; so too was O'Connell at the time of the Catholic emancipation in England; so too was Churchill in the England of the late war.

And such indeed, I think, was Stepinac for the Croates and indeed for all Yugoslavs since 1939.

Aloysius Stepinac was born of peasant stock, a citizen of the Austro-Hungarian empire. He was ordained as a Catholic priest in 1930. In 1934 he was consecrated Coadjutor Archbishop of Zagreb. At that time he was probably the youngest Catholic Archbishop in the world. Two years later he became Primate of Yugoslavia and his seat was in the capital city of Zagreb. His diocese was over nine hundred years old. He was primarily a spiritual leader. He was a man of great organizing capacity and essentially a man of pastoral interests.

In 1941 he saw his country overrun by the joint armies of Hitler's Germany and Mussolini's Italy. For him and for his people the four-year Axis occupation was a nightmare. For preaching against the ideas of the totalitarian state, for insisting on freedom of religion and freedom of education, and for his attachment to the rights of free men, regardless of religious denomination, he was placed under arrest and restricted severely in the conduct of his ministry.

With the defeat of the Axis powers he had hoped for happier days for his people. But communism came, and with it came persecution for him and for those who believed with him in man's freedom and in personal dignity. His prestige was great and the Tito régime realized the threat he presented to the establishment of the communist state. In 1946 he was tried by the courts of the communist junta. We now know through the writings of Mr. Richard Pattee that the trial was a sham. He was sentenced to sixteen years at hard labour. But even a ruthless régime like the communist Government of Yugoslavia could not continue this persecution unabated.

He was released from prison after five years of his sentence had been served, but he was forbidden to resume his functions as Primate of his people. He was exiled from Zagreb to the small village of Krasic and there he remained with his people for nine years until his death, one month ago today. I think perhaps he might have thought of these people a little in the way Mr. Chesterton thought of the people he wrote about when he described the situation which was corrected at the battle of Lepanto:

Christian captives sick and sunless, all a labouring race repines
Like a race in sunken cities, like a nation in the mines.
They are lost like slaves that swat, and in the skies of morning hung
The stairways of the tallest gods when tyranny was young.
They are countless, voiceless, hopeless as those fallen or fleeing on
Before the high King's horses in the granite of Babylon.

For his people, and certainly for the hundred thousand of them who kept watch in the cathedral square of Zagreb the night before he was buried, Stepinac was their shining cloud by day and their pillar of fire by night.

He was created a cardinal, a prince of his church, in 1953, but his red hat will not hang in his cathedral. He was never invested with it. For this he would have had to travel to Rome. This journey would have meant permanent exile from his people, because the Government would have refused his re-entry to Yugoslavia. He remained with them in silent protest in their plight. Those who could escape have come to lands of freedom, and many of them are in Canada working out a new life, far from the land of their birth, it is true, but breathing here the air of freedom. For them, as well as for all who are still bound by the iron grip of communism, and regardless of religious denomination, the memory of the humanity, the charity and the spirituality of Stepinac will burn as a flame of defiance to the repression of a people.

In conclusion may I adopt the words of an editorial that appeared in the Montreal *Gazette* of February 11 last:

Yesterday his sufferings ended, but his name will endure. Wherever in this world of so much cruelty and hate a Christian of any denomination seeks courage, he will only have to recall the name of Stepinac to brace his faith.

Hon. William M. Wall: Honourable senators, I rise to associate myself with the tribute which has been paid to His Eminence the late Aloysius Cardinal Stepinac.

I wish to thank the honourable senator from Ottawa West (Hon. Mr. Connolly) for bringing to our attention the tragic death of Cardinal Stepinac, this noble champion of the freedoms and the rights of his beloved Croatians and Yugoslavians, this brave defender of the spiritual rights of the church of which he was such a devoted and loyal servant, this collaborator—yes, but on the side of justice, and freedom and Christ! The name of this spiritual leader of some seven

million Roman Catholics in Yugoslavia will remain enshrined in the hearts of his people because he was a symbol of a heroic Christian martyr who kept his faith unaltered and unshaken while he was personally subjected to vicious humiliation and persecution in a deliberate attempt to discredit him and, by this means, to discredit and undermine the church to which he belonged. The name of Aloysius Cardinal Stepinac will live on because he was a symbol of protest against unjust and unjustified state interference in spiritual affairs.

The Cardinal believed and maintained that no compromise was possible over the division which exists between church authority over spiritual matters and state control over temporal matters, and he endured his unjust imprisonment and his virtually self-imposed exile in his tiny native village —in fearless silence.

The name of this priest of God will be remembered with many other modern martyrs because he was, in fact, a symbol of the opposition of all free, Christian people to an atheistic dogma of communist statism; because he stood firm for what he believed, and the free world hath great need of men who will stand firm for what they believe to be just and true.

As I too bow my head in humble and fervent prayer before the memory of this heroic servant of God and man, my heart is filled with agony at the ghastly and ghoulish price which godless communism has visited upon the many millions of Christians in the countries over which it has fastened its pseudo-democratic political régimes. This persecution, especially of the Catholic church, has been brutal, unceasing and relentless. In Lithuania, in Estonia, in Latvia, in Byelorussia, in the Ukraine and in Hungary, the story of persecution and martyrdom is much the same. Wherever communist statism has completed its cycle of planned suppression and persecution, the church has become the church martyred and oppressed, the church silent.

Most honourable senators will remember the special session of Parliament in 1956, which was called to consider, among other pressing problems, the tragic events connected with the brutal suppression of the Hungarian uprising. Hungary's story of religious persecution merits our attention as an example of what has been going on in the last decade. During the Soviet occupation, the Bishop of Györ and some 30 priests were immediately executed, and in 1948 alone the number of priests imprisoned rose to approximately 600. The first year of communist rule resulted in the nationalization or liquidation of 3,000 primary schools, 85 colleges and secondary schools, a Catholic university, the Faculty of Theology of the University of Budapest, and almost all the seminaries. All religious orders were liquidated, and the monasteries and the convents were transformed into barracks, hostels and offices, while many churches were closed or changed into military depots, libraries and museums. The modern church of the parish of Queen Mary of Budapest was demolished, and in its place arose a gigantic monument to Stalin.

This brutal attack against the church then led to the imprisonment of Cardinal Mindszenty, Archbishop Grosz and other members of the hierarchy. Today Cardinal Mindszenty lives as a refugee in the American Embassy in Budapest. Archbishop Grosz is in prison, as are Bishops Badalik, Petery, Schvoy and Szabo. His Excellency Bishop Papp is confined to his palace, and Bishops Rogats and Kovacs are confined to hospitals as being gravely ill. Only Bishop Hamvas has been permitted to perform his episcopal duties. The Hungarian Catholic Church is thus alone and without its hierarchical leadership, while religious persecution continues in spite of the consternation and the condemnation of the whole Western world.

Honourable senators will understand why I take this opportunity to draw their attention to the martyrdom of the Ukrainian Catholic Church in what we call Western Ukraine, after its inclusion in the Soviet orbit just fifteen years ago. As a matter of historical record, the Ukrainians were the first victims of communist religious persecution, for they were the first to be subjugated by the new Bolshevik régime. The first to suffer were the Ukrainians in Eastern Ukraine, who were predominantly orthodox. By 1960, for example, the Ukrainian Autocephalic Orthodox Church, with is Metropolitan Lypkivsky and a hierarchy of approximately 80 bishops, had been completely suppressed.

Just fifteen years ago, honourable senators, during the night of April 10-11, 1945, the new communist masters of Western Ukraine began the systematic and brutally repressive liquidation of the entire Ukrainian Catholic Church, which then numbered some five million faithful. Into hard-labour prisons and into concentration camps went all of our Ukrainian Catholic hierarchy, several thousands of our clergy, and many more thousands of our outstanding lay leaders. A year later, in Lviw, the capital of Western Ukraine, under the watchful and direct supervision of the dreaded MVD and through the lips of a tiny corporal's guard of terrorized priests, there was perpetrated the farcical break of juridical ties with Rome, followed by the equally farcical plea to "Papa" Stalin

that he should grant his permission to reunite the "re-converted" Ukrainian Catholics with the Russian Orthodox Patriarchate, which had been revived for reasons which I need not discuss at present. Methodically and inexorably there took place, almost before our very eyes, the liquidation and the martyrdom of the Ukrainian Catholic Church, with its proud heritage of many centuries of close ties with the Western democratic world—a church which had been a trusted and beloved leader of its peoples in their struggle for freedom, for justice, and for national independence. And the Western world was strangely silent, as if it did not believe that such things could happen in the twentieth century.

With deep humility, I ask you to remember the name of Metropolitan Slipyj, still living but condemned last year to another seven years of prison; the names of Bishops Budka, Charnetsky, Khomyshyn, Latyshevsky, Romza, Gojdich and Hopko, all of whom were imprisoned and condemned, or who have died in prison or been assassinated. I ask you to remember the fantastic losses the Ukrainian Catholics suffered—almost 3,000 clergy, 500 seminarians, over 1,000 nuns, over 3,000 parishes, over 4,000 churches and chapels, 195 religious houses, 35 Catholic editorial houses, 38 Catholic publications and thousands of schools.

Honourable senators, February 10, 1960 brought to a close the heroic life of a valiant foe of communist atheism, Aloysius Cardinal Stepinac, Archbishop of Zagreb and Primate of Yugoslavia. Not only is it appropriately fitting, but it is indeed imperative that free men—ordered by their deep spiritual convictions and motivated by their belief in justice, in honour, and in the innate dignity of all men whose inalienable rights must not be transgressed or trampled upon—should pay their respectful homage to this servant of God, whose persecution, arrest, and eventual imprisonment and martyrdom caught the attention of the whole Western world, for his martyrdom was a symbolic example of the tragic fate of so many, many more. Lest free men forget, honourable senators, who . . . when . . . how . . . by whom . . . and for what!

Hon. John G. Higgins: Honourable senators, let us praise great men; let us remember good men, so that their deeds shall forever be an example to all of us. Above all, let us glorify the names of those men who kept the torch of liberty aflame when the lamps of freedom were extinguished.

Let us regard the characters of those who faced torture and death rather than submit to the dictates of the tyrant and of evil, for they are the men who kept before the world the eternal principles of Right. Let them become a spectacle before all men to show that an act of sacrifice is necessary so that the fundamentals, the loyalties and the verities shall hold sway, and that there shall not pass away from the earth the great principles that should rule the world.

Such a man was the great Cardinal about whom my honourable friend and colleague the senator from Ottawa West (Hon. Mr. Connolly) has spoken so feelingly, so eloquently, so truthfully and so glowingly. We may be sure that when this great man departed to the eternal bourne from which no traveller returns the good Lord met him and said, "Well done, thou good and faithful servant."

All that we ordinary humans can say—and in all humility, with bowed heads and in reverence—are these kindly and Christian words, *Requiescat in pace.* May eternal light ever shine upon him.

PRIVATE BILL

LAURENTIDE FINANCE COMPANY—THIRD READING

Hon. Léon Méthot, for Hon. Gustave Monette, moved the third reading of Bill S-22, to incorporate Laurentide Finance Company.

Motion agreed to and bill read third time and passed.

(Company's name on previous stages of bill: Convenient Credit Limited. See pp. 214, 264, 326.)

SPEECH FROM THE THRONE

MOTION FOR ADDRESS IN REPLY—DEBATE CONTINUED

The Senate resumed from Thursday, March 3, consideration of His Excellency the Governor General's speech at the opening of the session and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

Hon. John A. Buchanan: Honourable senators, just slightly over a year ago two of my colleagues and I, a trio tabbed "The three Johns," were summoned to this chamber to take the oath of office and become members of this august body. I shall never forget, and will always treasure, the warmth and graciousness extended to us by all honourable senators at that time. I want to stress particularly the kindness and goodwill shown to me by a number of those honourable senators on the opposite side of the house. I trust that by mentioning a few names in this connection I will be committing no breach of what is considered good parliamentary decorum.

The honourable Leader of the Opposition (Hon. Mr. Macdonald) was most friendly. It so happened that his late brother, the Reverend George Macdonald, was a special friend of mine, and knowing George and his general benevolent attitude toward his fellow man I knew that the honourable senator could not have been otherwise. The honourable senator from Cariboo (Hon. Mr. Turgeon), whose first love was sunny Alberta, where he sat for several years in the Legislature, has been a real pal. The honourable senator from Provencher (Hon. Mr. Beaubien), who had just travelled on the train with a mutual friend of ours, immediately greeted me and welcomed me as a friend. The honourable senator from De la Durantaye (Hon. Mr. Pouliot) took me by the arm and led me through the corridors to the reading room, the library, the smoking room and other places of interest and said to me: "Use them, my friend. They are for you." Now, I had through *Hansard* watched the political activities of the honourable senator from De la Durantaye over the years but I had never met him, and I must admit that I was surprised to find him to be the kindly, gracious gentleman who was welcoming me to the Senate. I thank him now.

Hon. Mr. Pouliot: You are very gracious.

Hon. Mr. Buchanan: The lady senators have been most charming and gracious. The honourable senator from Sorel (Hon. Mrs. Jodoin) is even teaching me a few words in French. As she passed my desk on this occasion she greeted me with "*Bonne chance*". You never can tell, but I may in a few years become really bilingual.

I should like to speak for a moment of the honourable senators from my own province. They have all been most kind and helpful. The honourable senators from Medicine Hat and St. Albert (Hon. Mr. Gershaw and Hon. Mr. Blais) are venerable members of the medical profession and much beloved throughout those areas where they have practised. Then we have the honourable senator from Bruce (Hon. Mr. Stambaugh), a farmer who can always speak on agricultural matters, as you heard him yesterday, and be depended on for good, sound advice. Next we have the honourable senator from Banff (Hon. Mr. Cameron), who is widely known as an educationist and recognized especially for his work in developing the cultural side of our Canadianism. If any honourable senators have not previously done so, they should visit the Banff School of Fine Arts. A trip to Banff for no other purpose than to see what our honourable colleague has accomplished in this connection would be very rewarding. Then we have the honourable senator from Lethbridge (Hon. Mr. Gladstone), whose special mission in the Senate is to speak for his people, not only in Alberta but throughout the dominion. His work toward betterment of the lot of his people has already been fruitful and I am sure will continue to be so.

Our Alberta representation in the Senate is probably unique in that there is not a member of the legal profession in it.

Hon. Mr. Roebuck: Too bad.

Hon. Mr. Buchanan: And only one of the six, the honourable senator from Medicine Hat (Hon. Mr. Gershaw), has ever sat in either the House of Commons or a provincial Legislature. We have no doubt been summoned to this chamber because it was considered that each had a contribution to make, because of his experience and special training.

My activities over the years have had to do mostly with the general development of Alberta and the Northwest Territories as a practising surveyor, a civil engineer and a general contractor, so for the most part today I would like to discuss with you the general potentialities of our province of Alberta and the Northwest Territories, together with our responsibilities and the challenge created by them.

However, first I want to take this opportunity of welcoming to the Senate our three new members. I wish them every happiness in this chamber and I want them to know that we are indeed glad to have them with us. I know that we on this side of the house are especially proud to have with us the honourable and charming lady senator from Lisgar (Hon. Mrs. Irvine), and I trust that before too long others of the fair sex will join her.

I wish now to congratulate the mover (Hon. Mr. Courtemanche) and the seconder (Hon. Mr. Blois) of the motion for an address in reply to the Speech from the Throne. Both these honourable gentlemen won great credit for themselves on their first appearance in this chamber and I feel sure that each will make a great contribution over the years. The honourable senator from Colchester-Hants (Hon. Mr. Blois) gave us a very close and interesting peek into the life of the people of Nova Scotia and the present aggressive development of his province. He stressed the great contribution that each of four races had made to the life and well-being of the province. I just wonder, since each one of them had made such a contribution, what would be expected of anyone who had the blood of all four nationalities running through his veins.

My paternal genealogy credits me with French, Irish and Pennsylvania Dutch, whilst my maternal side has English, Irish and Scotch. This mixture of bloods probably created in me a restlessness that pushed me out into new regions to seek adventure and new challenges. In any event, in the spring of 1910 I headed west for sunny Alberta.

I would like to digress momentarily from my main theme to discuss a topic which to me is most important and to which I have, with others, given a good deal of thought. I am prompted to do so at this time after listening to the remarks of the honourable senator from Shelburne (Hon. Mr. Robertson) on Wednesday, February 3, in which he chose to confine himself to the single question: How are we going to reduce the cost of production in Canada in order to meet world competition? The economists and the financiers all have their theories of pressures to exert, to adjust the production and price set-up. All proposed remedies are of an abstract nature, which do not directly deal with the problem. None of them come up with a proposal that distributes the responsibility of making the necessary adjustments apply equitably on each individual within the dominion. Each has the effect of eventually forcing an adjustment by way of creating pressure, which cannot long be contained. Something must give way, and many, in all walks of life, suffer real financial loss in the adjustment.

There is still talk of inflation, and inflationary trends and influences, yet it is largely admitted that world inflation is over. Does it not follow, therefore, that our whole problem is production costs? Costs are made up of raw material plus labour. Canada has been so blessed with raw materials that we are almost independent in this regard. We can, ourselves, with our own raw material, produce almost all the requirements of our people. Since that is true, and the raw materials already belong to us, it follows that our production costs are almost totally labour, when considered in the widest sense —when one includes administrative, sales and distribution personnel as labour. Therefore, labour and management costs control our whole economy, and only through them can we possibly meet competition.

We must, then, conclude that the Prime Minister's exhortations to labour and management have been aimed in the right direction, but I am forced to the conclusion that up to the present time effective co-operation has not been forthcoming. I doubt if it can or will be given voluntarily without the creation of some medium through which negotiations must proceed and settlements can be definitely resolved. I leave this thought with you.

If some such a medium for co-operation were established, then the situation so created, coupled with the availability of raw materials of almost every kind within our border, would allow us to build a foundation to our Canadian economy that could establish the following basic controlling features:

1. Equitable relative values between rates of pay and living costs.

2. Equitable hourly rates as between each trade and vocation.

3. Equity between employee and employer.

Assuming that all the basic controls, 1 to 3, were effectively established, then values and costs would become relative and equitable across the board.

It follows that we would have thus created the requisite conditions by which we could build planned development on a base which would maintain high living standards, stop the inflationary spirals and meet competition in the open world market.

What we actually will have done is reverse the present trend by establishing costs of goods at a lower level than now, through equitably controlling and equalizing labour-management, sales, and distribution costs at a generally lower rate than now exists. The one governing factor, however, must be that the cost of goods and the purchasing power made available must be kept in balance. In other words, we cut production costs, but in so doing we reduce selling costs so that the money earned in production will purchase as many goods and services as it did previously, or more.

We will have thus introduced a process by which we can plan development, check the inflationary spiral, and manufacture at a price that will meet competition in the world market, all the while maintaining the high standard of living that we now enjoy. All of this can be done within the orbit of free enterprise, and if done now will probably prevent a long era of class strife, which is bound to come into being if we do not at once equitably deal with the whole problem and create the medium through which it can be accomplished.

Honourable senators, these suggestions are made at this time because it is my considered opinion, as I am sure it is yours, that world trade competition is going to become much keener in the near future than it is now. I am one of those people who believe in trying to predetermine future adverse economic forces and pressures and to prepare in advance to meet them head on, where and when they occur, with the most effective plan we can devise to neutralize their effect.

However, honourable senators, we have reason to be optimistic about our trading position at the moment. It is a matter of

record that those engaged in Canada's export business have been doing very well indeed. As evidence of this I should like to read from an editorial by J. H. Goldsmith in the Montreal *Star* of March 2, under the heading, "Exports Doing Well":

> In spite of many gloomy opinions in various quarters in recent months about Canada's ability to maintain a competitive position in the world's export markets, the actual figures on exports are nothing to feel despondent about. The latest figures issued by the Dominion Bureau of Statistics, covering the month of January, are quite cheering in fact.
>
> The exports for the month were not only in excess of the imports—indicating a 'favourable' trade balance—but they were the highest ever shown by any January. Moreover, it was the third successive month in which the exports were larger than imports.
>
> The report shows that there was a 'favourable' trade balance in January of $25.4 million. This compared with an 'unfavourable' balance of $55.3 million in the first month of 1959. Thus the trade position improved by a total of $90.7 million.
>
> This excellent showing reflects credit on those engaged in Canada's export business. Moreover, it should help to dispel the dire predictions about the danger of Canada being crowded out of the world's markets.
>
> The fact remains that Canada has many products that the world needs and is eager to purchase. Canada's businessmen are efficient and have the necessary know-how to conduct their business so as to maintain a high level of sales to their foreign customers.
>
> Both in individuals and in nations, it is not desirable to be complacent. But, it is equally undesirable to indulge in self-depreciation. It is much better to follow the middle course, thereby adhering to the advice of the ancient philosophers who advocated moderation at all times.

Honourable senators, I listened intently to two recent speeches in this house, one by the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill), and the other by the honourable senator from Vancouver (Hon. Mr. McKeen). They were, to me, both most interesting, because they dealt largely with matters connected with development of our natural resources, a subject which is always stimulating. Each dealt, in part, with the premium on our Canadian dollar and discussed the loss through its operation that we suffered last year in our export of wood products, estimated by the honourable senator from Northumberland-Miramichi as being between $60 million and $70 million.

However, to obtain a complete picture one must look at the national balance sheet as a whole when analyzing the effect the premium on the Canadian dollar has on the whole Canadian economy, and when one does that it is found that by computing the net result on an average premium of 4 per cent, which was that used by the honourable senator from Northumberland-Miramichi in arriving at the loss of $60 million to the wood products industry, one determines that due to this premium Canada as a whole was $23.732 million better off for the year 1959 than if our dollar had been at par. This is so because our total imports were valued at $5,654.7 million, while our total exports were valued at $5,060.9 million—$593.9 million less than our imports.

Notwithstanding this net result for last year, however, I am quite in agreement with the honourable senator from Northumberland-Miramichi and the honourable senator from Vancouver that this matter of the premium on the Canadian dollar and the effect on our whole economy is of such importance that it merits a thorough study.

However, I would recommend a slightly different approach than that suggested by the honourable senator from Northumberland-Miramichi. I would like to see the Chairman of the Finance Committee (Hon. Mr. Emerson) set up a small research subcommittee of probably five persons whose duty it would be to make a complete analysis of international exchange in all its ramifications. How does it work? What medium of influence, pressure, or action of any nature can be taken to control and maintain our dollar value at a point which is to our economic advantage and requirements?

I should like to see both the honourable senator from Northumberland-Miramichi and the honourable senator from Vancouver on such a subcommittee. They are very modest as to their knowledge of the subject, but it is obvious that each has very definite opinions as to the approaches that might be made to our problem, and they, with three other interested senators, might well come up with a solution that the experts could not well reject. After all, our experts and so-called experts sometimes do get into a rut and if not rescued and activated along sane, progressive lines they really bog down.

If in our bid for world trade we are able to reverse the trend, as is now indicated, so that the value of exports is greater than that of imports, then I would say it is most important that we maintain the value of our dollar at or slightly below par. Let us search for the formula by which it can be accomplished.

Now, honourable senators, I shall get back on track and proceed to follow the theme that I previously announced.

One day early in March, fifty years ago, I received a wire from the Surveyor General of Canada requesting me to join a survey party, which was about to proceed to Alberta, to do special work in connection with a number of coal properties in the foothills west of Edmonton. My better judgment told me to stay where I was and follow the career I had previously mapped out for myself, but my desire for adventure urged me to meet

the challenge and go west, so I threw discretion to the winds and I accepted the post offered me.

We arrived in Edmonton about the middle of March under bright sunny skies, the snow all gone and beautiful balmy spring weather prevailing.

Honourable senators will recall that the honourable senator from Inkerman (Hon. Mr. Hugessen) was engaged in building a railway beyond Edmonton in 1908, which was two years prior. Now, honourable senators, you all know the natural initiative and drive of the honourable senator from Inkerman, so wouldn't you have expected that he would have his railroad completed to transport us in 1910? Do you know what happened? We followed a pack train out of Edmonton and travelled on foot. It is true that steel had been laid for something over a hundred miles on the frost, without ballast, and when we were ready to travel the whole railroad was out of commission. However, in line with the Honourable Dr. Joe Sullivan's recommendations to maintain fitness, we went for a walk—a 250-mile hike.

We had a wonderful summer in the foothills, so much so that I then and there planned a return trip to the area, and beyond. I dreamed of a trip from what is now Jasper to Banff. This was to be taken with one or two friends, each of us with a saddle horse and one pack horse. We were to follow the foothills and use what pack trails we could find. I regret to say that I never found time to make that trip as I had planned, but many honourable senators no doubt have travelled the same route by car, for now it is traversed by an all-weather highway. If you have travelled it you will understand the why of my plans and my dreams. Honourable senators, if you have not yet made that trip, plan to do so. I am sure there is not a more scenic drive, through rugged wonderful mountain scenery, any place in the world.

The area in which we worked became later the coal branch along which many large and important coal companies developed. Even in those days we bragged of Canada's wealth of energy and claimed that Alberta alone had one-seventh of the world's known coal supply. Then coal was king and had no serious competitor. We were sitting on top of the world.

At that time, little did we think that during our lives we would see many of our great coal mines close down and large deposits of coal go undeveloped, because through the perfection of the diesel engine and the discovery of large quantities of the necessary fuel, coal could no longer economically compete.

After the season's work was completed I came back to Ontario, but I knew then that the lure of the west was too strong for me to resist, so back I went to my home in Edmonton, where it still is, and more beloved than ever. A few months later I formed a partnership and established in Edmonton a business by which, since then, my work in surveying, engineering and general contracting has taken me from southern Alberta to the Arctic Ocean, and from the west boundary of Saskatchewan to the east boundary of British Columbia and beyond. This was the beginning of an experience which gave me the privilege of being closely associated with an era of development that has been rarely, if ever, surpassed.

The first opportunity of participation came in March of 1913, when I was given a contract to survey eight townships located 50 miles beyond what is now Hines Creek, the terminus of the Northern Alberta Railway, north of the Peace River. We had to organize a party of 25 men immediately, provide transportation and camping facilities and supply and transport food to last the crew six months. The distance from railhead to our first camp was 350 miles, and all the roadways were mere trails. We used a combination of three teams and about a dozen pack horses for transporting our camp, personal luggage and so forth. Revillon Frères freighted in all the food and other goods, which they themselves supplied and placed in a log cache, which they had built at the location of our first camp. I wish, honourable senators, to pay tribute here to these pioneer trading companies such as Revillon Frères and the Hudson Bay Company for their great contribution toward the development of our country. They did a tremendous work in the early days. Here was a typical case: A young man without financial means, but with a survey contract in his pocket, needed a season's supplies. They saw that he had them, where he needed them, to be paid for from the payments received as the work progressed.

I learned a great lesson, at this stage, of the necessity for the control of production costs. I was young and practically without experience, and up until then had given little consideration as to the probable cost of the job I was to do and its relation to the amount I was to be paid for doing it. However, I was soon to be pulled up short and forced to take a long hard look at myself.

I boarded the train for Athabaska to begin my journey to the Peace River country and on the train was an experienced, generally recognized efficient superintendent of survey operations. As we chatted he said: "Buck, I am sorry to see you taking that contract up in that country. You are bound to lose money. The overhead of travelling up and down is just too much to overcome." Well, honourable senators, I apparently had

a wildcat by the tail. I could not lose money because I had none, or very little, to lose. I had bought everything on the cuff, and it had to be paid for. What was the solution? I just said to myself: "Buchanan, you have to work and plan yourself out of this mess. You must improve on the other fellow's methods, and make it pay. There is no other way out."

My friend had indeed rendered me a great service without realizing it, for if he had not warned me I know I would have lost money and, as it turned out, in the end a reasonable profit was made. This all goes to prove that if there is the desire to cut production costs and a will to work at it, then it can be done. We have to apply this principle on a national scale, right now, if we are going to meet competition.

After this I spent several years in the area north of Peace River town, and watched the arrival of many of the settlers who were to become the backbone of that great country. I am sure, honourable senators, that no area ever welcomed a finer type of pioneer than did the Peace River country. Nevertheless, we haven't been quite fair with them, for many settled there as early as 1913, with an understanding that they would be serviced with a railway, but all of those west of the Peace River, and north toward Fort Vermillion and beyond, are still waiting for that railway. It is to be hoped that when the railway to the Northwest Territories is built their rights will receive full recognition, in which case there is no doubt in my mind where it shall go.

After my mission was completed in the Peace River area my work became more varied, with a trend toward construction rather than surveying, and a tendency to cover a much larger area. It brought me more in touch with the Northwest Territories, and indeed during the war I acted as cost engineer for the American Government, on the famous Canol project, which, with its many ramifications, had to concern itself with road building, pipe laying, oil drilling and prospecting, and transportation of every type, including lake and river transport.

I merely mention this, honourable senators, to show you that I have been privileged to study the potential resources of the territories, first-hand, and to form my own opinions of what should be the policy of our Government in connection with their development on a sound, aggressive scale.

At this point, in order to stress the vast size of the area, I give you a comparison recently used by the Honourable Alvin Hamilton, Minister of Northern Affairs and National Resources, which was that the Northwest and Yukon Territories would hold three Ontarios and still have place left for Manitoba, Nova Scotia and Prince Edward Island.

Honourable senators, the geological formation is such that along the Mackenzie Valley and on a large portion of the islands of the Arctic we have reason to hope for large oil and gas reservoirs, while in the balance, which takes in the Great Bear and Great Slave Lake areas, and to the east, we have indications of nearly every known metal.

Now, honourable senators, let us go back to Alberta, and see if we can find a key from what happened there as to what our master plan should be in the Territories. We know that we had certain oil seepages in a number of points within the province, and at many points gas pockets were discovered in shallow wells of varying depths. Gas seepages even occurred on gravel bars in river beds. On many occasions, travelling down the Peace River, I have stopped and cooked my meal over a gas flame which burned continuously during low water, on a gravel bar of Tar Island. These occurrences were assessed by many to be a definite indication of large pools of oil, but they didn't necessarily point to the exact location. Nevertheless, a number of oil companies set up exploration branches with the required geological personnel to guide them, and started to work. None were very successful for some time, and many became quite pessimistic about their whole venture when, all of a sudden, after already having spent $16 million, Imperial Oil made a strike in the Leduc field. After that the oil companies moved in with the most modern technique by seismograph, etc., and since then the pattern began to develop and now oil and gas have been discovered at intervals along the full length of the province, and we have built up a gas reserve of astronomical proportions.

As regards oil and gas development in the Territories, I feel that we can largely leave it in the hands of private companies and corporations, for they have the necessary capital and are merely working on an extension of the formation they already know. I feel sure there will be sufficient competition to assure aggressive and total exploratory development.

It is my opinion, however, that we should deal quite differently with the potentially mineralized areas. The Department of Mines and Technical Surveys, in addition to its usual custom of determining and mapping the general geology, should be required to go one step further and immediately apply the latest techniques in geophysics and other useful known scientific methods to discover the locations of any anomalies that may exist.

These should then be plotted and become public information. This work for the most part has been done by private companies and its extent has depended largely on the amount of money set aside for exploration in that particular year. The investigations have, therefore, been haphazard and without continuity.

I feel sure that if my suggestions were adopted, development would be greatly accelerated. Mining companies and individuals would vie with each other for the privilege of proving, or disproving, the value of the plotted anomalies, and work would go on apace. Controlling regulations would naturally have to be enacted to conform with the new development policy which of necessity would require immediate and concentrated investigation as a condition of continued tenure.

Honourable senators, we have the responsibility and indeed the privilege of developing that vast northland. We have indications of great mineral wealth, but for the most part large bodies of ore have still to be located. Much money will have to be spent to locate them, if they exist, as was done in Alberta in the search for gas and oil, where indications that large reservoirs of gas and oil existed were probably not as great as that minerals do exist in the north. Yet Alberta has been repaid a thousandfold, and still revenues will pour into her public coffers from oil and gas for years to come.

Canada's real challenge is to make the most of her northlands, and I believe, honourable senators, that each one of us should urge that our Government embark on a vigorous program using the latest, proven, up-to-date techniques to discover and delineate all possible commercial ore bodies. This is our task! The results could be tremendously rewarding!

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

PRIVATE BILL

INTERNATIONAL LOAN COMPANY—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-23, respecting International Loan Company.

Hon. Mr. Macdonald: Explain.

Hon. Mr. Hnatyshyn: Honourable senators, this bill has as its sole purpose the change of the name of the company. May I briefly explain some of the objects of the company and the reason for the proposed change of name to Federal Mortgage and Savings Corporation?

This company, International Loan Company, was incorporated in 1920 by chapter 91 of the statutes of that year, and is entirely in the business of lending money on the security of first mortgages on real estate. It operates entirely on its own capital, supplemented by a loan from the Royal Bank of Canada running up to approximately a half-million dollars. The company's total assets are about $2 million. Honourable senators will see that it is not a large company, but it has carried on a fairly successful operation throughout the years and has consistently managed to pay dividends to its shareholders.

In respect to this proposed change of name, honourable senators will realize that there are a great many small personal loan companies in Winnipeg and elsewhere, and the company is being continuously bothered by requests over the telephone and otherwise for small loans on the security of furniture and other types of security that small loan companies accept. That is probably because the name International Loan Company implies such an operation. The company tried to get its name changed to International Mortgage and Savings Corporation, but this could not be arranged because the first two words in the name of a company that was incorporated recently in the province of Quebec are "International Mortgage". The next best name was chosen, namely, Federal Mortgage and Savings Corporation.

This name has been approved by the Companies Division of the Department of The Secretary of State. I should also point out, honourable senators, that possibly at some time in the future this company may enter into the business of soliciting savings from the public, much in the same manner as do the Canada Permanent Mortgage Corporation and similar companies. That is the reason for the inclusion of the word "Savings" in the new name, thus labelling it a repository of savings. I think I should mention also that the company's charter permits this operation.

In brief, the whole purpose in changing the name is simply to have one more in keeping with what the company is doing than is the present name.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to Standing Committee on Banking and Commerce.

The Senate adjourned until Tuesday, March 15, at 8 p.m.

THE SENATE

Tuesday, March 15, 1960

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

Prayers.

INDIAN BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-2, to amend the Indian Act.

Bill read first time.

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

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADA ELECTIONS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-3, to amend the Canada Elections Act.

Bill read first time.

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

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

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Aseltine: Honourable senators, I table the following documents:

Further Supplementary Estimates (2) for the fiscal year ending March 31, 1960.

The Canada Gazette, Part II, Statutory Orders and Regulations 1960, Wednesday, March 9, 1960, pursuant to section 7 of the regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report of the Royal Canadian Mounted Police for the fiscal year ended March 31, 1959, pursuant to the Royal Canadian Mounted Police Act, Chapter 241, R.S. 1952. (English and French texts).

Report of the Governor of the Bank of Canada to the Minister of Finance and Statement of Accounts for the year 1959, pursuant to the Bank of Canada Act, Chapter 13, R.S. 1952. (English and French texts).

Paper entitled "Text of Disarmament Plan", for the Ten-Nation Disarmament Conference, opening at Geneva, March 15, 1960, released by the five Western Powers represented on the ten-member committee. (English and French texts).

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY—FIRST READING

Hon. William R. Brunt presented Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

Bill read first time.

Hon. Mr. Macdonald: Explain.

Hon. Mr. Brunt: Honourable senators, the purpose of the bill is very simple. It is to bring the two railway companies under the jurisdiction of Parliament, the Railway Act and the Board of Transport Commissioners, and also to give these two companies the right to build additional railway lines prior to the first day of January, 1961. All construction would be subject to authorization by the Board of Transport Commissioners.

Hon. Mr. Power: May I ask where these railways are located?

Hon. Mr. Brunt: One is in Labrador, in the province of Newfoundland, and the other is in the province of Quebec.

Hon. Mr. Power: What are their names again?

Hon. Mr. Brunt: Wabush Lake Railway Company Limited and Arnaud Railway Company.

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

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

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 270 to 285, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-243, for the relief of Richard Austin Evans.

Bill SD-244, for the relief of Marion Mary Treen Frosst.

Bill SD-245, for the relief of Joyce Mary Whiteman Rogers.

Bill SD-246, for the relief of Vera Arlene Perry Locke.

Bill SD-247, for the relief of Beatriki Bourboulis Angelidis.

Bill SD-248, for the relief of Jessie Margaret Cross Joly.

Bill SD-249, for the relief of Guy Labrosse.

Bill SD-250, for the relief of Joyce Agnes Catherine Wilkinson Greenwood.

Bill SD-251, for the relief of Jacques Cormier.

Bill SD-252, for the relief of Mary Lorraine Little Copping.

Bill SD-253, for the relief of Sylvia Trachimovsky Fox.

Bill SD-254, for the relief of Kathleen Shannon Keene.

Bill SD-255, for the relief of Jean Elizabeth MacCuaig Vinters.

Bill SD-256, for the relief of Lucy Sekora Budnik.

Bill SD-257, for the relief of Joyce Middlehurst Walker.

Bill SD-258, for the relief of Patricia Shirley Rydberg Menzies.

Bills read first time.

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

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

Motion agreed to.

CAPITAL PUNISHMENT

SENTENCES AND EXECUTIONS

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. How many persons have been convicted for murder and sentenced to capital punishment during each one of the last ten years?

2. How many of them have been executed during each one of the last ten years?

Hon. W. M. Aseltine: Honourable senators, the answer is:

1. The number of persons sentenced to capital punishment is as follows:

1950, 21; 1951, 19; 1952, 26; 1953, 22; 1954, 25; 1955, 18; 1956, 19; 1957, 12; 1958, 21; 1959, 18; 1960, 3 (to March 10).

2. The number of persons executed is as follows:

1950, 10; 1951, 11; 1952, 10; 1953, 8; 1954, 10; 1955, 6; 1956, 5; 1957, 3; 1958, 3; 1959, 3; 1960, 0 (to March 10).

Explanatory Note: The figures for the years 1950 to 1954 are those which are set out in Appendix "B"—Capital Case Statistics to the Report of the Joint Committee of the Senate and House of Commons on Capital Punishment. In preparing the statistics each case has been treated as having been dealt with by execution in the same year as that in which the sentence of death was imposed. That is to say, if a sentence of death was imposed, for instance, in November of a particular year and was executed in February of the following year, the case is treated, for the purpose of these statistics, as having been one where the sentence was imposed and executed in the same calendar year.

INDIAN AFFAIRS

JOINT COMMITTEE—SENATE MEMBERS

Hon. W. M. Aseltine: Honourable senators, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald), the following motion standing in my name:

That the Senate do unite with the House of Commons in the appointment of a joint committee of both houses of Parliament to continue the examination and consideration, begun by a joint committee of the Senate and House of Commons, pursuant to a resolution of the Senate on May 5, 1959, of the Indian Act, Chapter 149, R.S.C. 1952, and amendments thereto, and to suggest such amendments as they may deem advisable, with authority to investigate and report upon Indian administration in general and, in particular, on the social and economic status of the Indians;

That the following senators be appointed to act on behalf of the Senate on the said joint committee, namely, the Honourable Senators Boucher, Croll, Dupuis, Fergusson, Gladstone, Horner, Inman, MacDonald, Méthot, Smith (Kamloops), Stambaugh and White;

That the records, exhibits and evidence received and taken by the joint committee during the last session of Parliament aforesaid be made available to the said joint committee and made part of the records thereof;

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

That a message be sent to the House of Commons to inform that house accordingly.

Honourable senators will remember that last session a Joint Committee on Indian Affairs was set up, but quite late in the session, the motion having been passed in the Senate on May 5. The committee held twelve meetings and received valuable information from the Honourable the Minister of Citizenship and Immigration and several department officials. The committee also called and heard evidence from the Six Nations Council, the Six Nations Confederacy, the Native Brotherhood of British Columbia and the Manitoba Indian Brotherhood.

This, honourable senators, was the first general review of Indian affairs since 1951. However, the time was too short to hear all those wishing to make representations and the committee unanimously recommended in its report that a similar committee be appointed early this session to carry on the investigation and studies, so that all those groups and organizations which have indicated a desire to make representations may be afforded an opportunity to submit briefs and give oral testimony.

The committee also recommended that every opportunity should be given for the

hearing of representations of Indian groups, organizations and bands. These are the people primarily concerned and they should be given priority.

Honourable senators, I hope that this motion to reconstitute the joint committee will receive the unanimous approval of the Senate.

Hon. W. Ross Macdonald: Honourable senators, as the Leader of the Government (Hon. Mr. Aseltine) has stated, a Joint Committee on Indian Affairs was set up last session and had a number of hearings but did not finish its work. I think we all agree that it served a very useful purpose and we want it to finish its work. The committee was unanimous in recommending that it should be reconstituted this session.

The committee was dealing with quite a difficult and very important problem. As honourable senators know, there are Indian bands on various reserves scattered from one coast of Canada to the other. They are not all living in the same circumstances. Some are more advanced than others in an economic sense, and some are more highly developed socially, shall I say, than others.

The Indians have served Canada well in the past. For instance, they were of particular service to Canada in the War of 1812. But I am not going into what the Indians have done for Canada in the past. They have done a great deal.

I feel it is the desire of everyone in the Senate, regardless of political affiliation and the part of Canada from which he or she comes, that we should do whatever is in the best interests of the Indians and as far as possible do what they would like us to do.

I think the committee should be very careful to make sure that any recommendations for amending the law affecting Indians will be so set forth that, if adopted, there can be no misunderstanding as to what the law means. In the past there has been considerable misunderstanding, and for that reason there seems to be a certain amount of suspicion among the Indians in regard to legislation that has been passed by this Parliament. I feel that can be avoided to a large extent in the future if the act clearly sets forth just what it means. The act should be worded in such a way that not only parliamentarians and lawyers but the Indians themselves will understand it.

Honourable senators, I am very pleased to second the motion of the Leader of the Government for reconstitution of this committee.

Hon. C. G. Power: Honourable senators, may I ask the sponsor of this resolution (Hon. Mr. Aseltine) if it is intended to refer to this committee the two bills which we have just received from the House of Commons—Bill C-2, to amend the Indian Act, and Bill C-3, to amend the Canada Elections Act, which deals with Indians and their right to the franchise.

Hon. Mr. Aseltine: That is not the intention.

Hon. Mr. Power: Well, why not, may I ask? If there is anything important to citizens of this country or to our allies by treaty, such as the aboriginal inhabitants, it is whether or not they have the right to vote or whether they wish to have and exercise that right.

I should imagine that would be a proper question to refer to the Joint Committee on Indian Affairs.

Hon. Mr. Aseltine: The bills have already passed the other house, and if they are to be referred to a committee of this house they would ordinarily go to the Standing Committee on Immigration and Labour to be dealt with. I have never had occasion to refer a bill from this house to a joint committee of both houses.

Hon. Mr. Power: I fail to follow the logic of my honourable friend the Leader of the Government. The fact that the bills have passed the other house is something, but we in this house have certain rights and privileges too, one of which is to examine legislation that comes from the other house. Now that I think of it, I have known joint committees of the Senate and of the House of Commons to spend an entire session studying legislation. I was chairman of one such committee for several years, a committee that dealt with bills for pensions for returned soldiers. I am sure there have been other instances.

Hon. Mr. Croll: The old age security measure.

Hon. Mr. Power: The old age security measure. I think also of one that is dear to the heart of my honourable friend from Toronto-Spadina (Hon. Mr. Croll), the revision of the Criminal Code. Also the question of capital punishment was studied by a committee of both houses.

Hon. Mr. Aseltine: Those matters were different.

Hon. Mr. Power: I fail to follow the argument of my friend the Leader of the Government.

Hon. Mr. Hugessen: I think there would be considerable difficulty in referring to a joint committee of both houses a bill that has already passed one house. How could the House of Commons appoint members to a joint committee to consider a bill which that house had already passed?

Hon. T. A. Crerar: Honourable senators, I am inclined to agree with my honourable

friend from Gulf (Hon. Mr. Power). Certainly these two bills that have been introduced here tonight, aimed at conferring the franchise on Indians, are important bills. We read reports in the newspapers that the Indians—at any rate some of them—are very doubtful about whether or not they want this legislation passed. Surely it is not beyond the ingenuity of the Senate, and my honourable friend who leads the Senate (Hon. Mr. Aseltine)—

Hon. Mr. Power: And of the Government, particularly.

Hon. Mr. Crerar: —and of the Government, to find a way by which this matter could be considered by the joint committee and have evidence presented to it.

Having said that, I wish to say something more. This is unquestionably an important committee for several reasons, one of which, and not the least, is the fact that we have incorporated in our main estimates for this year in two departments of Government a total expenditure of $66 million for Indian and Eskimo education, betterment, health and that sort of thing. That approximates $375 per head for the men, women and children of our Indian and Eskimo population. That is a figure which, in my judgment, should have some examination in the other place.

I have another suggestion to make to honourable senators who will constitute part of the joint committee: that they seek to go beyond Government officials and Indian chiefs to get information about the condition of the Indians. I venture to suggest that the committee could get no better or more reliable information than that which could be secured from some of the missionaries who labour among the Indians in these far-flung parts of Canada. I have seen reports—and I have no reason to doubt their authenticity—that the missionaries, those heroic men who have gone into the wilderness to try to improve the lot of our Indians, are very much concerned with the methods by which the Government seeks to bring the Indian people to the higher level of our civilization. Sometimes when I consider all the aspects of our present civilization I wonder if, after all, it is very much better than that which the Indians had.

An Hon. Senator: Give the country back to the Indians.

Hon. Mr. Crerar: I have seen reports in the press, for instance, of missionaries who are concerned about the wholesale desire of Government officials to bring help and succour to the Indian, that the Indian is developing an attitude of mind that he need no longer look out for himself, that he will be looked after—

Hon. Mr. Horner: The same as the rest of us.

Hon. Mr. Crerar: —by the Great White Mother. When one considers the fact that the Indian population, and the Eskimo population also, is accelerating at an increasing rate, one wonders where it is going to end. There was a time, perhaps seventy-five years ago, when the popular impression in Canada was that the Indian population would solve its own problems ultimately by extinction. That was a very harsh and improper attitude to take. Since then there has been a great change in the conditions under which the Indian lives; for instance, medical care has enormously improved.

I recall quite a number of years ago—so many that I hesitate to count them—when I had charge of the Indian administration of the Government service. When representations were made to me that the department should do something toward eradication of tuberculosis which was rampant among the Indians I asked these gentlemen to meet and offer suggestions to me. They suggested that we should have a survey of all Indian schools to discover the incidence of tuberculosis among the pupils. When I received the final report I was shocked. The X-ray examinations showed that there was not a single Indian residential school that did not have one, two, three, or half a dozen cases of active tuberculosis.

Much success had attended the efforts to eradicate tuberculosis among the white popuation, but one of the most eminent T.B. men in Canada told me at the time—and I could not dispute the logic of his statement—that we could never eradicate the disease among the white population so long as every Indian reserve was a centre of infection. From that time on I directed a great deal of effort toward a solution of this problem—or, at any rate, in making a start toward a solution of it—and quite substantial progress was made in that direction.

These are questions that the committee should study. It is all very well to obtain advice from officials of the department, but you must go outside and ask the people who actively work with these Indians, day in and day out, week in and week out, and ascertain their opinions of Indian problems. Believe me, if the committee does that it will tap a source of information that, in a practical way, will be very, very useful to it in its deliberations.

Motion agreed to.

SPEECH FROM THE THRONE

ADDRESS IN REPLY ADOPTED

The Senate resumed from Thursday, March 10, consideration of His Excellency the Governor General's speech at the opening of the session, and the motion of Hon. Mr. Courtemanche, seconded by Hon. Mr. Blois, for an address in reply thereto.

Hon. William M. Wall: Honourable senators, I wish to associate myself warmly and sincerely with the congratulations and best wishes which have been directed to our new colleagues, among whose number we especially welcome the gracious lady from Manitoba (Hon. Mrs. Irvine), and with the recognition that has been paid to the two senators who have initiated this general debate on the address (Hon. Mr. Courtemanche and Hon. Mr. Blois), to which each made an interesting and valuable contribution.

The debate on the address has been characterized by many excellent discussions upon a variety of subjects, and I hope I shall be forgiven for singling out the thought-provoking, sweeping and vigorous discourse of the honourable senator from L'Acadie (Hon. Mr. Savoie). It was heart-warming to listen to a lay champion stress the cardinal importance of education, in the crucial and, indeed, never-ending struggle for the conquest of the souls and the minds of men, a struggle made more urgent by the Soviet challenge. You will remember that the honourable senator stressed that through education we must not only build up our first line of democratic defence by educating adequate numbers of men and women of superior technological, professional and other productive skills in all fields of economic and societal endeavour, but that this first line of defence will be inadequate if we do not make certain that these men and women are firmly educated in the moral and spiritual values that are basic to any sound system of education.

This evening I also shall speak a little about education. Specifically, I propose to discuss three problem areas, problem areas concerned with making more effective and more justly distributed the federal contributions to the sum total of our Canadian efforts in education. It is true that I have mentioned two of these problem areas before, and I make no apology for bringing them to the attention of the Government again. It needs to have them brought to its attention many times. This I shall continue to do until something is done, because I am convinced of their importance in safeguarding and developing our most treasured and precious of all national resources, namely, our human resources, without which, honourable senators, any new national developmental policy, whatever be its term of duration—whether it be ten years or more—will never reach the heights Canadians may have been led to envision.

It is true that the past few years have witnessed a resurgence of public interest in, and public concern about, education at all levels; and it is encouraging to note the many changes and advances being made, especially at provincial and local Government levels, to provide better educational facilities and opportunities, and to distribute these more equitably so that there may be at the elementary and secondary school levels greater equality of educational opportunity.

However, it is well for us to remember that our sum total of expenditures in education at all levels does not appear to have merited any more financial support than has been true, for example, of our mounting expenditures for new and used automobiles and their operation, for tobacco and liquor, for travel, and for many other things and services. It may be of interest to honourable senators to know that between 1957 and 1959—a period of two years, and the 1959 figures are estimates—there has been in Canada an overall increase in educational expenditures of between $110 and $125 million. But in the same period we have increased our expenditures on liquor and tobacco by almost $137 million, and our expenditures on new and used cars and the operation thereof by almost $230 million.

It is also true that we have been improving the relationship between the number of students in our colleges and universities and our total population or our college-age population. I shall refer later to the fact that our university enrolments are rising annually by a rate of 8 to 10 per cent, while our total population is gaining about 3 per cent. However, we might wish to remember that a week or so ago, as reported by the Canadian Press, it was possible—and I stress the words "it was possible"—for the Soviet ambassador to tell a Laval University audience that the U.S.S.R. had in its 767 universities a student enrolment of 2,100,000 students, while the following five Western democracies, namely, Canada, the United Kingdom, France, West Germany and Italy, with a combined population almost equal or identical to the U.S.S.R., had a university enrolment four times smaller.

Checking on figures contained in a UNESCO publication which I hold in my hand, and which I identify by the title *Study Abroad, 1959-1960,* I note that the U.S.S.R. figure

for students at universities is 2,110,860. The United States figure is 3,036,938. The other five countries combined—that is, Canada, the United Kingdom, France, West Germany and Italy—have a combined enrolment of 678,000 students, which really makes the ratio about 3 to 1.

Now, I know that these figures need further dilution and adjudication to make them statistically comparable both from the point of view of time and from the point of view of definition of students, but even these revisions, honourable senators, would probably indicate that per 1,000 of total population the United States and the U.S.S.R. each has university enrolments two or two-and-a-half times higher than ours in Canada. I want honourable senators to keep this current and relative disparity in mind as we consider the problem areas which I wish to describe now.

I believe that there exists in Canada a continuing need for more national interest and involvement in the field of university and college scholarships, bursaries and loan funds with a view to providing greater equality of educational opportunity in our institutions of higher learning. I mention this problem area again simply to re-emphasize that large numbers of deserving and intellectually-able students are not now able to enter our colleges and universities because of their financial inability to pay for increasing tuition and other university costs. I contend that this is a great national loss which we cannot afford. We may find it difficult to extend to our colleges and universities the now generally accepted principle of free education at the elementary and secondary levels, and that is exactly why we must continue to ameliorate the existing inequalities by enlarging and extending our student-aid programs.

Honourable senators, within one year it is estimated that the average university costs to students and their parents have gone up from $1,270 to $1,400. That is an increase of $130, and during that period there have been increases in scholarships so that on the average across Canada there is available in scholarships now $100 of the $1,400 that is necessary to cover the costs of university education. The level of scholarships has gone up from $90 to $100 on the average that I mentioned, that is, by $10. The other $120 must be provided by the parents and the students.

On previous occasions I indicated how Canada compared with other Western democracies in the total availability of scholarships and bursaries, as these are related to student population, and I mentioned, for example, that in the United Kingdom about 75 per cent of the students have scholarships available to them. The United States is almost equally high. Somewhat hopefully, I must confess in retrospect, I had pointed out that the Commonwealth Government of Australia has in successful operation a very comprehensive scheme of national scholarships covering almost one-half of the university and college enrolments. During our election campaign of 1958 there were hints that this question would be brought forcefully to the Government's attention and that something might be done to initiate a scheme of national scholarships and bursaries, but a rather significant silence has now descended upon this problem area, and one even hesitates to trespass upon this calm and peaceful atmosphere. However, honourable senators, in view of our increasing university enrolments, balanced as they are to some extent by increased student-aid programs being provided by provincial and by private resources, may I respectfully remind the Government of its responsibility in helping to increase the availability of higher educational training to thousands of young Canadians who are not now able to avail themselves of these facilities.

Hon. Mr. Hugessen: May I ask my honourable friend a question? Does he know the present proportion of students in this country who are receiving scholarship or bursary aid of some character in comparison with the 75 per cent he mentioned in England?

Hon. Mr. Wall: The last survey I know of quoted a percentage of roughly 32 per cent. There was an additional problem which I might mention. The average scholarship available was low in amount, which I tried to point out indirectly by saying that it costs $1,400 to educate a student. On the average the scholarship available is $100 per student.

I would say this. Through the instrumentality of a national scheme of scholarships, bursaries and loan funds let us, for the greater and richer national destiny we often speak about, construct the access roads to the invaluable human resources upon which our future progress and development are predicated. If the Government subscribes to the principle of equality of educational opportunity in more than academic terms, then its concomitant belief in the principle of distributive justice presupposes more than a kind of silent default in this important problem area.

My suggestion is very simple. Let the Government plan to do something soon in initiating a comprehensive, national scheme of scholarships and bursaries. This would be an admirable way of bringing direct aid

to the competent and able young Canadians who need this help, in whatever province they may reside and whatever college or university they may choose to attend. This individual, grant-in-aid approach would not contravene any provincial jurisdiction in the field of education. I believe we allocated close to $10 million for our current roads to physical resources program up in the north. Let us begin with 10,000 national bursaries and scholarships at a similar annual cost of $10 million, gradually increasing the number of scholarships and bursaries available to perhaps thirty, forty or fifty thousand.

Hon. Mr. Dupuis: May I ask a question?

Hon. Mr. Wall: Certainly.

Hon. Mr. Dupuis: I would like to know if the granting of these scholarships might not contravene constitutional jurisdiction as far as the rights of the provinces are concerned. Has the honourable gentleman studied this aspect of the question? If so, we would like to know his conclusion, for we are very much interested.

Hon. Mr. Wall: I would say, honourable senators, that scholarships are now being granted through the federal Government, through the National Research Council, through the Canada Council, on an individual basis to students without any contravention of any constitutional jurisdiction at the provincial level.

I would like to conclude this argument by saying that at national, and therefore better distributed expense, these scholarships would provide greater equality of educational opportunity and greater resultant social mobility, to which our democratic way of life is dedicated.

I should like to touch upon another problem, and that is the level of national support now being given to our colleges and universities through federal grants. Honourable senators know that the sum total of these grants is calculated on the basis of the estimated total population of Canada multiplied by $1.50 per person, and by this means we say how much money the Canadian Government will give in federal grants to universities. That money is then divided among the provinces on the basis of its total population. Because the student enrolment is increasing at an annual rate of between 8 and 10 per cent—and it must be remembered that this student enrolment increase varies among our provinces—and because the estimated population of Canada increases at less than 3 per cent per annum, and this rate of population increase also varies from province to province, there arise two what I call "dilution problems". First, there occurs an overall yearly dilution of the per-student level of national support of between $16 to $18—dropping, for example, from a Canadian average of $289 per student in 1958-59 to $271 in 1959-60. Secondly, provinces with a rapidly rising student load, but a slower total population increase, suffer a greater relative dilution of this national per-student support. For example, from 1958-59 to 1959-60 British Columbia, Saskatchewan, Manitoba, Nova Scotia and Quebec each received from $12 to $17 less per student, whereas Ontario's loss was $21, New Brunswick's $26, Alberta's $36, and Prince Edward Island's $72. This change, honourable senators, occurred in one year.

Our "level of support and distribution" formula, as I call it, results not only in this annual dilution—and a dilution which is discriminatory in its effects upon the different provinces—but it also results in what we may term the problem of unfair differentials in the per-student national grant to the colleges and universities in the various provinces. Excluding Newfoundland, these per-student grants range this year from a low of $203 in Nova Scotia to a high of $342 in Ontario.

I would respectfully suggest that further study should be given by the Government to a university grants-in-aid formula which would (a) prevent this annual dilution and eliminate its discriminatory effects and (b) introduce a greater measure of equalization in per-student grants going to the various provinces, to level out the differentials which presently exist.

Last year I suggested upgrading the per-student grant of the provinces below the national average—up to this national average, which upgrading would provide some measure of equalization. Suggestions have been made of a flat per-student grant of so many dollars to be paid to the eligible colleges and universities through the National Conference of Canadian Universities and if so desired through some other intermediary provincial agency on the nose-count of the number of eligible students. The figure of $300 per student would be a little improvement on the present average grant.

Whatever the means adopted, it does seem important that the sum total of federal university grants, or tax credit allowances, should have a more direct relationship to the actual student load in these institutions in the different provinces, thereby doing away with the present discriminatory differentials and preventing the annual dilution which I have described. All provincial grant structures are so geared that there are increases or decreases in direct proportion to the educational load. Our federal university grants structure is somewhat unique, in measuring one thing, that is, total population, and then using

this measure to fit something quite different, student enrolment in colleges and universities.

My next suggestion in the line of education involves the expenditure of a tiny amount of money for very rich national returns.

Honourable senators recognize that the federal Government is engaged, directly or indirectly, in an extensive amount of research or aid to research in a variety of areas which are of national interest and concern. A perusal of the main estimates will readily validate this statement.

Now in education, but for statistical data and related statistical studies which are done by the educational division of the Dominion Bureau of Statistics and, but for scholarships and fellowships which are available through the Canada Council, and some of these may involve some form of educational research, I believe that I am correct in saying that the federal Government provides no grants in aid for educational research as such.

It is not my intention to speak to you about the many problem areas in education which would benefit from continued and organized study by some national organization for educational research, but I believe sincerely that educational practices and techniques must continue to be studied and evaluated in the light of changing conditions and new technological advances, and I further believe that many of these research problems may be handled most effectively on a co-ordinated and national basis. There is such a national organization for educational research which has lately come into existence, called the National Advisory Committee on Educational Research; it is sponsored by the Canadian Educational Association and membership in this association is enjoyed by each of the departments of education. This National Advisory Committee has a small educational research office, and this acts as a clearing house and a liaison agency, as a library and reference centre, and it is beginning to disseminate information on educational research through a little publication called *The Canadian Research Digest.*

So much for the story of the background. How did this get started? Well, it got started in 1957 because one of our large corporations gave $100,000 to the Canadian Education Association for this purpose and asked that this sum be expended over a period of from three to six years.

What this undertaking needs is additional and speedy assistance in the form of funds. I see no reason whatever why the federal Government should not recognize the importance of strengthening educational research on a national level. Hence, I suggest that the federal Government—purely on a grant-in-aid basis and with no strings attached—should provide the Canadian Education Association with a very modest annual contribution to be spent for educational research under the direction of its National Advisory Committee. The initial sum of $50,000 per year would enable this committee and its office to undertake needed and highly significant research activities—and would be a further indication of our national concern with and responsibility for further educational progress.

Now, honourable senators, I wish to turn to a totally different subject and speak a little about World Refugee Year, leaving the problem of immigration proper to another and, I hope, more auspicious occasion. Because one of our distinguished colleagues, the honourable senator from Rockcliffe (Hon. Mrs. Wilson) is honorary chairman of the Canadian Committee for World Refugee Year, it is with some hesitancy that I make a few observations about Canada's contribution to World Refugee Year, which is to end officially in June, 1960.

I make my observations in the context of two public addresses of the Honourable the Minister of Citizenship and Immigration, one delivered to the Hamilton Council of Women early in November, 1959, and the second to the Canadian Welfare Council at the end of January, 1960.

In the first address the minister gave a review of what Canada did to accept refugees for humanitarian and for self-interest reasons —for, as the minister confirms, the refugees that we did accept have proved to be a tremendous asset to Canadian economic and social development.

The minister explained that to December 31, 1958 an estimated 231,000 refugees—I am dealing in round figures—were admitted to Canada, although in fact there may be many thousands more who came through other countries. This figure includes the 37,000 Hungarian refugees brought into Canada when our humanitarian motivation was dramatically high. Our identifiable expenditures for the admission and welfare of refugees in Canada proper is conservatively estimated at about $25 million; our contributions to international relief and rehabilitation agencies amount to about $185 million, making a total identifiable outlay for refugees of approximately $210 million.

Then, honourable senators, in this address follows this remarkable statement by the minister, which I shall quote in full:

> How we are engaged in World Refugee Year—a dramatic effort sponsored by the United Nations to clear the European camps and to rehabilitate all the hard-core refugees. Many of these refugees have known no other home for years. Among them are children who were born in the

camps and have never had homes as we know them. These people have no chance for a decent life if we do not take them from the confines of their present existence. We cannot better demonstrate our religious and democratic ideals than by helping our fellow men in their distress.

I agree. And by the "we" I want to believe that the minister means all Canadians, all 17½ millions of us. I ask this simple question: what better way is there to make this communal "we" effective than through the instrumentality of the federal Government in co-operation with our provincial and municipal authorities?

The lead the honourable the minister speaks about—and I am referring to the 100 families the Canadian Government has sponsored—is encouraging. However, if Canada is to make anything near the kind of humanitarian and dramatic effort which we were proud to make in 1956-57, when Canada accepted as immigrants approximately one out of five Hungarians who fled their native land—and I believe Canadians do not begrudge this effort, but rather look upon it with justifiable pride—and if Canada is to make a really signifiant contribution to the resettlement and rehabilitation of some 23,000 European refugees in the camps alone, then this lead is inadequate on both counts.

Hon. Mr. Macdonald: The honourable senator referred to 100 families. How many persons are involved?

Hon. Mr. Wall: The figure given was just over 340. I tried to find that in my notes, but was unable to do so.

Furthermore, honourable senators, our aid-refugee drive to supplement this governmental lead has bogged down in what the *Financial Post* of February 20 calls a hassle, with the unfortunate result that the non-governmental sponsorship of additional refugees has never got off the ground. The reason is simple: we are asking only a segment of the Canadian population to add to its present burden of voluntary and charitable endeavours the sponsoring of these additional refugees at a total cost that is difficult to determine. The honourable the minister hopes and expects that much more will be done in this way because, as she puts it, the Government has the duty to consider the extent to which public funds may be jutisfiably committed to a movement of this nature, and, therefore, the federal Government has no alternative but to ask that private sponsors undertake this burden on a voluntary basis. Of course, there is an alternative, and the statement of the Honourable Howard Green shows what the alternative is. The trouble is that we do not know how many additional refugees are going to be sponsored by the Government.

The question then arises, what is the sponsorship formula that individuals or organizations are asked to undertake? Why do these associations and individuals regard this formula as too heavy and too indefinite? From the special explanatory booklet and from the statements of the minister, we find that this sponsorship involves the following:

1. Payment of travelling expenses to place of destination.

2. Providing accommodation and maintenance on arrival.

3. Arranging and paying for institutional care for those who are ill for an indefinite period—I gather the cost will be about $15 or $20 a day.

4. Finding employment for the newcomer; or, if the sick refugee is the head of a family, accepting the responsibility for the subsistence and welfare of the family until the breadwinner is well again.

5. Generally accepting responsibility for the persons brought to Canada until they become eligible for normal municipal and provincial social and welfare benefits after they "establish residence".

The minister estimates that the average period during which a sponsor may expect to bear the full measure of responsibility undertaken to be one year. This one-year average means that many individual cases will be a responsibility for longer than one year. Hence the concern and hesitancy of these potential non-governmental sponsors; hence the lack of sponsors; hence the request of the Canadian Welfare Council for a conference with the minister or with the cabinet. Such a conference did take place, with what results I do not know.

I note that the Board of Directors of the Canadian Welfare Council agreed to back the suggestions made by a special steering committee at its January conference, which conference included federal, provincial and municipal officials, and as well the representatives of voluntary organizations from across Canada.

What are these suggestions? The first is that the federal Government, in consultation with the provinces, undertake to bring in additional families. Personally, I believe that we could double, and perhaps triple, the number of families sponsored directly by the federal Government. This would enable each and every Canadian to share this burden and its eventual benefits, as equitably as possible. Not by some welfare agencies and some individuals rising once again to still another challenging responsibility to be added to others, but by the national Government doing more in this regard, will we all share in the enhancement of Canada's reputation as a land of hospitality and humanitarianism.

I refuse to believe that Canadians would begrudge additional national financial contributions to this kind of cause, knowing that all would share in them, and knowing further that welfare agencies and welfare-minded individuals everywhere would follow this more generous governmental lead on our behalf, and with our money, with the kind of additional and auxiliary assistance which they are best equipped to give.

The second suggestion of the Welfare Council calls for a change in the federal Government's present policy of asking private sponsors of refugees to undertake full and continuing care of them, with no time limit. The directors of the Canadian Welfare Council, quite properly, I think, are asking that the responsibilities of the sponsors be limited to: (a) paying the transportation costs for a refugee family coming to Canada and (b) assisting in the family's settlement and integration into a Canadian community.

What more can we ask of voluntary help? This means that the Canadian Welfare Council believes that private sponsors should not be required to assume any responsibility for the cost of health and welfare services and benefits which are traditionally provided in Canada under public auspices. Surely this is a reasonable position.

World Refugee Year is fast drawing to a close, and it may take some time for the formula for this sharing of public health and welfare responsibility to be worked out, unless, of course, individual provinces take the initiative themselves—and that may happen. I believe that the Canadian Welfare Council recommended that the federal Government take immediate action to arrange for acceptance of this public responsibility for health and welfare services. Time is pressing. I believe that the Council has also asked for some relaxation of quota restrictions to permit Canadians to adopt orphaned children of Asiatic origin.

I would like, honourable senators, to feel that the present Government will rise to the challenge that is inherent in these realistic and reasonable recommendations. I believe Canada is the richer and the better because of her national decision in 1956 to accept nearly one out of every five Hungarian refugees at a national cost of somewhere between $15 and $20 million. This decision was prompted by a high sense of idealism and humanitarianism, and I do not believe that it was ever regretted by the average Canadian. Nor do I believe that a more idealistic or humanitarian approach to World Refugee Year will ever be a political liability to the Government, or to any government, provided the Canadian people know what is being done, and why it is being done that way.

Motion agreed to.

The Hon. the Speaker: Ordered that the said address be presented to His Excellency the Governor General by such members of this house as are members of the Honourable the Privy Council.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 16, 1960

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

Prayers.

INDIAN AFFAIRS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the following message has been received from the House of Commons:

Ordered: That the 24 members of the House of Commons to act on behalf of the house as members of the Joint Committee on Indian Affairs be as follows: Messrs. Dorion, Badanai, Baldwin, Barrington, Cadieu, Charlton, Fraser, Gundlock, Hardie, Henderson, Howard, Jorgenson, Korchinski, Leduc, Martel, McQuillan, Michaud, Montgomery, Muir (Cape Breton North and Victoria), Pickersgill, Robinson, Small, Stefanson, and Thomas; and

That a message be sent to the Senate to inform Their Honours that the foregoing members have been appointed to act on behalf of the Commons on the said Joint Committee of both houses.

Attest

LÉON J. RAYMOND
Clerk of the House of Commons

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following document:

Report of the Department of Agriculture for the fiscal year ended March 31, 1959, pursuant to section 6 of the Department of Agriculture Act, Chapter 66, R.S. 1952. (French text).

FINANCE CHARGES (DISCLOSURE) BILL

FIRST READING

Hon. David A. Croll presented Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Bill read first time.

Hon. Mr. Macdonald: Explain.

Hon. Mr. Croll: Honourable senators, this bill requires the disclosure of interest rates and finance charges when credit is extended, so that the borrower or instalment buyer will know exactly what rate of annual interest he is charged for a loan or purchase and what his total cost will be.

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

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

Motion agreed to.

PETITIONS FOR PRIVATE BILLS

EXTENSION OF TIME FOR FILING

Hon. R. B. Horner, Acting Chairman of the Standing Committee on Standing Orders, presented the committee's first report.

Report read by Clerk Assistant:

The committee recommend that the time limited for filing petitions for private bills (other than petitions for bills of divorce) which expired on February 24, 1960, be extended to Friday, March 25, 1960.

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

Hon. Mr. Horner moved with leave, that the report be adopted now.

Hon. Mr. Macdonald: Explain.

Hon. Mr. Horner: I understand there are a few bills that some honourable senators desire to proceed with and that they would like to have passed as soon as possible. I cannot say of what importance the bills are, but all bills are important to their sponsors.

Hon. Mr. Haig: May I say, in support of the motion, that the members of the committee unanimously agreed to the report.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 286 to 294, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

INTERNAL ECONOMY

FOURTH REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's fourth report.

Report read by the Clerk Assistant:

Your committee recommend:—

1. That William D. Foran, Chief of Protective Service, Senate, be retired on April 1, 1960, and be granted an allowance under the provisions of the Civil Service Superannuation Act.

2. That Mr. Foran be granted, in lieu of six months' retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

Hon. Mr. Brunt moved that the report be taken into consideration at the next sitting.

Motion agreed to.

BILL OF RIGHTS

CORRELATIVE OBLIGATIONS AND RESPONSIBILITIES

Hon. Jean-François Pouliot moved, pursuant to notice:

That there are correlative obligations and responsibilities to the Canadian Bill of Rights referred to in the Speech from the Throne of this session.

The Hon. the Speaker: Who is the honourable senator's seconder?

Hon. Mr. Pouliot: My deskmate, the genial senator from Bruce (Hon. Mr. Stambaugh).

Honourable senators, great progress has been made from the time of St. Paul, who said:

—in journeyings often, in perils from floods, in perils from robbers, in perils from my own nation, in perils from the Gentiles, in perils in the city, in perils in the wilderness, in perils in the sea, in perils from false brethren;—

At the present time very few people suffer from all those perils.

My intention today is to speak about liberty and freedom, two synonymous words. In order to revert to fundamentals one has to go to a book which is indispensible, a book that may be quite large, although there are small editions. I speak of the dictionary. There we find "liberty" defined as follows:

Freedom from external restraint or compulsion. The sum of the rights and immunities of all the citizens of an organized civil community concurrent with the guaranteed protection against interference with such rights and privileges (civil liberty), or the state or condition of those who have the right effectually to share in framing and conducting their government (political liberty), or of those who are free from external restraint in exercising rights without the province of a government to control (individual liberty). Individual liberty now generally involves freedom of the person in going and coming (personal liberty), equality before the courts, security of private property, freedom of opinion and its expression, and freedom of conscience.

"Freedom" is defined in this way:

Freedom, liberty, licence mean, as here compared, the power or condition of acting without compulsion. Freedom, a very general term, may imply at one extreme total absence of restraint and at the other, an unawareness of being hampered in any way; liberty often differs from freedom in implying a power to say, do, etc., what one wishes, as distinguished from being uninhibited in doing, thinking, etc., or a release from restraint or compulsion (as, to have the liberty to come and go; to set at liberty); licence implies liberty that consists in breaking laws or rules, and is sometimes regarded as an abuse and other times as a privilege.

"Right" is defined as:

That to which one has a just claim; any power or privilege vested in a person by the law, custom, etc.

"Obligation":

Any duty imposed by law, promise, or contract, by social relations, etc.

"Responsibility":

Accountability; also moral accountability; as, the responsibilities of parenthood.

"Restrict":

To restrain within bounds; to limit; confine.

"Limit":

That which terminates, circumscribes, or confines; the utmost extent; as, the limits of knowledge.

"Confine":

To restrain within limits.

To summarize all that I have found in the dictionary concerning the definitions of "liberty" and "freedom", one must come to the conclusion that liberty means the right to enjoy freedom within certain bounds, provided that one does not interfere with his neighbour's own liberty. Therefore, there are limitations to liberty from the beginning. We can go back for centuries to the time when the Ten Commandments were given by God to Moses. That was the law that applied to the whole world, and the law which governed the world for centuries. Naturally, as man became implicated in wickedness there were more laws passed—religious and civil laws—to restrain him, and those laws are necessary inasmuch as man lives in society. A man is free to choose his own religion, but after he has made the choice he is bound by the laws of his church. The man who lives in society is bound by the laws that apply to all the citizens of the community—and the word "community" applies to the country or province, or city; it is the place where a man lives.

My first conclusion is that the words "liberty" and "freedom" are very relative in their meanings, because a man who enjoys liberty cannot by-pass the laws that govern society. At the time of the French Revolution a group that was called the *sans-culottes*—the men who led the revolution—said that there was no law to hold them or to prevent them from doing anything that they wanted to do, and a school was formed which shared those views. I was not at all surprised when I read in the Treaty of Versailles after the First World War, and in the Covenant of the United Nations, the part that dealt with the liberty of the individual. The liberty of the individual was more restricted during the war than it was in peacetime. Naturally, in times of war the aim of each country is the salvation of the country. That is the first law, and the private individual has to make a sacrifice of his liberty, to a large extent, to promote the success of the state in pursuing the war.

I cannot understand how it is that anyone can speak of liberty or freedom without qualifying those two words so that no one is deceived. If any one of us addresses a group of students and speaks only of their rights without mentioning any of their obligations, then those young people are necessarily misled. They will think only of their own liberty without thinking of their own responsibilities, which are numerous.

The purpose of the law is to define what each man, woman and child has to do in society. In this country the Parliament of Canada has criminal jurisdiction. It has the jurisdiction to enact the Criminal Code and its amendments. The provinces also have the right to pass acts that may affect to a certain extent the liberty and freedom of the individual but which are necessary to prevent chaos from existing in society. There are in our federal country two main systems of laws: the federal laws and the provincial laws. The municipal laws which govern the cities, towns and townships come under provincial laws. Therefore, there are two groups of civil laws in this country.

There is one thing that I desire to say now after an experience of thirty-six years under this roof. It is that I wonder how many people know what liberty is. Very often they ignore it, and they ignore it purposely, because they claim full liberty for themselves while denying it to others. How many times did I notice it when I was sitting in the other chamber? Prominent men who did not understand British Parliamentary practice, who did not understand the rules, were claiming full liberty for themselves, and for themselves only. According to them, other people were not entitled to enjoy the same rights as they were claiming for themselves. In this country life would be unbearable if there were no tolerance. Tolerance is respect for other people's honest views. Naturally, it sometimes implies a large degree of self-control, but we cannot have harmony and unity in the country unless we understand that other people have the right to differ with us.

If we look at the judicial history of the United States we realize that the most famous judges of that country have been those who had the courage to differ at times from the opinion of the majority. I may quote some of them, particularly Judges Frankfurter and Brandeis of the Supreme Court of the United States, who expressed their qualified and well-reasoned personal opinions often in contradiction to the ruling of the majority.

What constitutes democracy? It is government of the people, by the people, for the people. You may say, my dear colleagues, that that is a commonplace remark. Well, it was made by Lincoln, who was repeating what had been said centuries ago by one of those wise men who knew the meaning of democracy. One should be free to express within the law any honest opinion. Perhaps it will take a long time to see the realization of any suggestion, for when a suggestion is made to intelligent men and women, they weigh it. They may not accept it at once, but by discussing it they may come to what I may call relative truth. Truth is the same as liberty in civil matters. It is quite relative, but there is a great satisfaction for anyone in considering any matter objectively and without prejudice, to meet the good judgment of other people who consider the same thing objectively and without prejudice. This is what I mean by relative truth.

Naturally, behind the Iron Curtain no one would dare to express the views I have just enunciated. It is not permitted to express oneself freely over there, and I must tell you that in this country, which is democratic by name, it is at times most difficult to express personal views without feeling an unpleasant reaction and being subjected to some kind of circuitous retaliation for speaking as a free man or a free woman. I could quote numerous examples of what happened, to my personal knowledge, under this roof twenty-five, thirty or thirty-five years ago. I would not do so today about the Senate. I may have a better opportunity to do that or to write it on another occasion, but what is important now for the Parliament of Canada? It is not to pass any legislation concerning human rights. In the Atlantic Charter, Roosevelt and Churchill mentioned quite clearly the kind of freedom they wanted the people to have. It is freedom from fear. How many people do not have the opportunity, or do not take the opportunity, to express freely what they have on their minds because they fear what will happen to them—the kind of abuse that they may get if they go on to explain what they have in mind and what is their sincere belief? I could elaborate at great length on that.

I have just drawn this matter to your attention, honourable colleagues, and my conclusion will be brief. It is that action must be started as soon as possible, and must be persisted in, to educate the Canadian people as to the real meaning of liberty. And who could do that? The press could do it if it were honest enough, if it were not too ponderous, if it were open minded, if it were sincere, if all the journalists were true Canadians. We have some high-calibre journalists, men who are just as able and who deserve to be as famous as the best-known journalists of this continent and of Europe or anywhere else.

If they are true to their duty to inform the people, as they should be, they should be the apostles of true liberty, of liberty that is respected by laws that are in force, and laws that we will not want to have changed in this country.

Another word, before taking my seat. As this matter comes under the jurisdiction of the provinces I do not see how any federal legislation of any kind could be passed in that regard; but as there have been most interesting and illuminating speeches made on education, which is a provincial matter, I thought this would be a good occasion to speak on liberty, and that it would be a real service to the Canadian people to tell them the meaning of it.

Motion agreed to.

CRIMINAL CODE (CAPITAL PUNISHMENT) BILL

ORDER FOR SECOND READING STANDS

On the order:

Second Reading of Bill S-6, intituled: "An Act to amend the Criminal Code (Capital Punishment)". —(Honourable Senator Croll).

Hon. Mr. Croll: Honourable senators, I ask that the second reading of this bill stand until April 26 next.

The Hon. the Speaker: Order stands until April 26.

INTERNATIONAL AFFAIRS

MOTION TO AUTHORIZE EXTERNAL RELATIONS COMMITTEE TO REVIEW CANADA'S ROLE— DEBATE CONTINUED

The Senate resumed from Wednesday, March 2, the adjourned debate on the motion of Honourable Mr. Thorvaldson:

That the Standing Committee on External Relations be authorized to review the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization;

That the committee have power to send for persons, papers and records.

Hon. Wishart McL. Robertson: Honourable senators, I wish to congratulate the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), Chairman of the Standing Committee on External Relations, upon taking the necessary action to call his committee together. I realize that his specific reference to the activities of the United Nations and the North Atlantic Treaty Organization is probably not necessarily restricted to those particular items, but would rather form a basis for an opportunity for those of us who are interested in international affairs to obtain some first-hand information on many questions that are before us.

In offering a few comments under this motion, I have to admit that my knowledge of the United Nations is not as great as it should be. I have not been a delegate to its meetings for some years. I attended in 1946, when it was still sitting at Lake Success, and in 1948 at Paris. During the intervening period, however, a great many things have happened, and other honourable senators who have been present at the meetings would be in a better position than I to deal intelligently with any matters that are before that body.

On the other hand, I have long been interested in NATO, about which I should like to say a few words. I have always been particularly interested in the question of Germany's association with NATO—military, political and economic. The limited sources of information at my disposal are only those of an ordinary member of Parliament. I have had a growing admiration for the superb job I felt the Adenauer Government was doing in keeping the balance between those Germans who, on the one hand, did not want to re-arm, and on the other hand, her allies, who were urging her to do so. I also thought Germany was displaying sound judgment in seeking economic co-operation and elimination of trade rivalries in the relations between herself and her allies. In each case I believe she was displaying political courage, sound judgment and far-sightedness, characteristics that I believe should be applauded and emulated by her allies rather than condemned.

Now I am disturbed and, to say the least, slightly bewildered at the turn recent developments have taken. Frankly, I do not want to believe the interpretation that is being placed on recent developments and, I do not intend to believe the conclusions that some have arrived at until I am better informed than at present. For my part, I trust the Germany that is represented by the Adenauer Government. I confess to bewilderment at the conflicting conclusions drawn from what seems to me the relatively small outbreak of anti-semitism in Germany and newspaper reports that Germany was seeking bases outside her own territory, particularly in Spain.

However, I am greatly impressed by credible reports regarding the attitude adopted by the two peoples who suffered most from the brutality and savagery of Hitler Germany.

Yesterday New York dispatches quoted the Israeli Premier, David Ben Gurion, after an interview he held there with Chancellor Adenauer, as having said:

Adenauer has confirmed his belief that the Germany of today is not the Germany of yesterday.

It is only fair to say, however, that the *New York Times*, in stating this, referred to the fact that in Israel itself there are various schools of political thought which feel that the premier should not have had an interview with Adenauer, so the matter is by no means as simple as those few words from the dispatch might suggest.

David Ben Gurion was quoted as saying further:

> that his people could not easily forget the blood bath of Hitler's Germany, but he recalled that he had told the Israeli Parliament last summer that Germany had changed from the days of Hitler and that after meeting the chancellor he feels sure his judgment is correct.

Drew Middleton, one of the most experienced correspondents of the *New York Times*, writing in the March 13 issue of the *New York Times Magazine*, and reporting on the viewpoint and reactions of leading NATO countries in respect to these various questions says, as regards France:

> The French believe that the Germans have learned their lesson—they see 1945 as the final defeat of German desires—and that it presents an opportunity to restore continental stability and achieve unity.

This view of Mr. Middleton is confirmed by the action of France as a result of the Treaty of Rome, by which France, Germany, Italy and the three Low Countries not only agreed to the maximum economic and cultural co-operation but publicly stated that their goal is political union. Surely, honourable senators, this is one of the miracles of our times.

Nevertheless, we would be foolish, I believe, not to realize that grave doubts and fears exist among some of the NATO allies. Mr. Middleton, in the same article, refers to the doubts and fears existing in Britain, Norway and Denmark. He concludes his article with this striking paragraph:

> A very dangerous situation can develop if this division over Germany is not reconciled. Perhaps the worst thing that could happen to Germany, and perhaps to the West as a whole, would be for Germany to be left hanging in the middle of the alliance, wanted by some, rejected by others. There is no surer way than this to feed the fires of nationalism and force the Germans to conclude that their salvation lies in making a separate deal with the Soviet Union to unite East and West Germany.

As far as Canada is concerned the situation is not very clear. The honourable senator from Toronto-Spadina (Hon. Mr. Croll), who holds strong convictions and is courageous and fearless in giving voice to them, brought the matter to the attention of this house, expressing his own doubts and fears. On the other hand, the Government does not seem to be greatly exercised. Late in February, answering questions in the other place, the Secretary of State for External Affairs expressed some annoyance that he had heard nothing from individual NATO Governments before the matter of the Spanish bases was made public, and stated he intended to bring the matter up in the NATO Council. He expressed doubt as to the accuracy of the reports, saying that he had had specific denials from the ambassadors of Germany and Spain.

The honourable senator from Toronto-Spadina was not greatly impressed by these denials and referred to a none-too-flattering definition of ambassadors in general coined more than a hundred years ago. For my part I would not like to feel that Canadian ambassadors would lie on behalf of their country or that our Department of External Affairs would ask them to do so, and I certainly am not going to assume that the Canadian External Affairs Department personnel are more virtuous than those of our friends and allies. I cannot say that I agree with the honourable senator from Toronto-Spadina in all of his conclusions, but I certainly agree with him that we in this house are entitled to more information on this subject than we have yet received. Since the statement made by the Secretary of State for External Affairs late in February I have heard of no further statement that he has made on the question.

On the other hand the Halifax *Chronicle-Herald* carried a curious dispatch by the Canadian Press stating that Canada had chastised West Germany for its European NATO partners' secret negotiations to obtain supply depots in Spain. The article went on to say that informants said the chastisement was administered in the NATO permanent Council in Paris by Canadian representatives as well as by spokesmen of several other NATO countries. Certainly the whole matter is very confusing, and I commend and welcome the action of the honourable senator from Winnipeg South in making it possible for us to get more information.

Let me say to this house something that honourable senators already know: I possess no special information that is not open to all of us. But in matters of this kind I have a faith founded on very simple ideas. I believe that no one can indict a whole nation, and that no nation has a monopoly on good intentions. In every nation there are evil and ambitious men who are unscrupulous and brutal in their efforts to secure power, and even more so in holding on to it after they get it. If the victors in World War I had used better judgment in the peace terms they imposed and in supporting Germany's early democratic government, it is quite possible that Hitler and what he stood for might never have secured power, and that World War II would never have occurred. We were much wiser after World War II, and results up to the present moment at least prove that fact.

I suggest to honourable senators that a strong Government under Adenauer has been dedicated to the making of butter, not guns. The German people were happy that the allies forbade them from making armaments. The Germans concentrated on economic development for the first ten years after 1945.

But times and opinions change. We invited Germany to join NATO, which she did in 1955, but the move met with terrific opposition in Germany. Even today the official opposition, the Social Democratic party, is resolutely opposed to Germany's joining NATO; the members of that party say that when they secure power they will do their utmost to extricate Germany from its membership. But even after Germany joined NATO and assumed obligations, her contributions to national defence were relatively small. In 1958, according to the NATO *Letter*, the estimated national defence expenditures by Germany, including what she contributed to NATO, were $200 million less than Canada expended. Yet Germany has 55 million people as against Canada's 17 million, and her economy is bounding. In the last year or two the United States has urged Germany to do more, since we on this continent were spending on defence three times as much as were the 13 European partners together. Although I do not know, I suspect that Canada joined with the United States in urging Germany to do more by way of military contributions. I have never heard any suggestion to the contrary. I have seen no reference to Canada's part in this respect, but I would say that if I had been in the position of Secretary of State for External Affairs, or the responsible minister in Canada, I would have joined the United States in asking Germany to make greater contributions.

Under pressure Germany increased her military expenditures, by how much I do not know. I do know, however, that as a result of the increase there were riots in German cities, protesting the expenditures. It was a most unpopular step to take.

I would emphasize that the official opposition party in Germany was constantly pointing out that membership in NATO would lead Germany to the position in which she finds herself today. A cabinet crisis developed between Erhard, the Minister of Economic Affairs, and Strauss, the new Minister of National Defence. My honourable friend from Toronto-Spadina (Hon. Mr. Croll) referred to Germany's growing air force. Actually, Germany could not manufacture planes on her own, and hence the question arose between Erhard and Strauss. Erhard wanted nothing whatever to do with armament construction; and Strauss put forward the familiar argument that they would need buildings to service the planes when they got them, and with a little additional effort the buildings could be extended to allow for assembling and thus provide employment. But Erhard stood resolute against any armament construction at all, saying that there was no need for the employment, that they had no unemployment. He pointed out that if and when disarmament came, it would mean economic dislocation. Relations between Erhard and Strauss became so bad that at one point Erhard threatened to resign. However, he did not. Strauss had his way, and the buildings will be constructed in which to assemble the planes of perhaps French or American design.

I have only mentioned these matters so that honourable senators will understand the attitude which preceded the present situation. Up to this point the complaint was that Germany was not doing enough. When the question of her joining NATO was first broached, her Government was anxious that her military effort should never become the tool of any unscrupulous group, or be taken over by anyone with an ulterior motive, and her Government asked the Allies to integrate Germany's armed forces with the French, British and Americans. The Allies refused to accede to that request, so Germany had to build up an army of her own. That is the second point.

When the further demand was made on the part of the Canadian Government—and I say this cautiously, because I do not know what attitude our Government took—Germany pointed out that if she increased her armaments, including her air force, she would have to get more bases.

I never can be sure in what light one should construe some newspaper reports, but I would refer to another article that appeared in the Halifax *Chronicle-Herald,* as to Germany's attitude and viewpoint, in which it was said that two years previously Germany had made representations to General Norstad in an effort to procure bases in France. Negotiations were never concluded, nothing definite was arrived at, and in each instance she was turned down. To what extent there were subsequent negotiations I do not know, but for my part I cannot see any terrible sin in obtaining bases outside her own territory. Canada is not militaristic, but we have bases in France and Germany, have we not? The United States, one of the NATO partners, has tremendous bases in Spain. It must all resolve into a question of whether what Germany did was done behind the backs of her NATO partners. I think that is the whole issue, and that is not very clear in my mind today, so I welcome every opportunity of getting more information on it.

I am not going to detain the house much longer, but I would be remiss if, after referring to the military side, I did not say a word about the economic side. Honourable senators will recall that early in 1955 a group of us representing all parties—and I was in distinguished company, because the present Prime Minister of this country was vice-president of the organization of which I happened to be president—undertook to communicate with all the NATO nations, with those people who wanted the spirit and letter of Article II implemented. From the early part of 1955 we wrote to all these countries, and I went to the United States two or three times. I was Speaker of this house at that time, and we were dealing with Speakers in the other countries. I went to the United States and to Britain. All the countries agreed to send us the names of their delegates. At the outset we did not communicate with Germany, because at that time she was not a member of NATO. However, she did become a member on May 1, and on that date, as I remember, we had a letter ready which we immediately air-mailed to the Speakers of the two houses in Germany. Almost by return mail we had a letter back saying that they would be delighted to join with us, and again almost by the next mail, we had the names of the members of the German delegation. For the next two months we worried the United States, Great Britain and the other members to do something. They were always going to act, but kept delaying. Finally the British appointed their delegates about ten days before the conference opened on July 18, and the Americans appointed theirs only two days before the conference opened, and only then at the point of the gun, so to speak.

I remember well the resolution and the business-like manner with which Germany complied with our request. There was none of the dilly-dallying that the United States and Britain indulged in. The same characteristic ran through the whole effort to implement the spirit and letter of Article II with respect to economic co-operation.

It is now ten years since we solemnly put our signature to the treaty with the other countries, and we have not done a single thing, so it has ceased to exist. Those countries in central Europe—I am referring to the Six—having become disillusioned by the dilatoriness of the United States and Britain, went ahead and implemented among themselves the spirit and letter of Article II, and in doing so they have created something that a friend of mine in the United States has called as great an economic and political upheaval as the exploding of the first atomic bomb. The rest of us are now scurrying around wondering what on earth we are going to do about it. In my judgment, this action of Germany was clear-cut leadership. I say to you that in the economic field their intelligence and good intentions appeal to me. What the Six have done among themselves in Europe, in my judgment, is what we in the West have got to do. If we do not do it on our own initiative, then Khrushchev will force us to do it, just as he forced us into NATO originally. Germany has shown the kind of leadership I admire, and I am not going to believe the worst of the Adenauer Government until I have evidence to the contrary placed before me.

Some time ago the Minister of Finance said in the House of Commons that the idea of economic co-operation in NATO is a thing of the past. It has gone, and a new organization is being set up in Europe. The committee is composed of twenty members, and a subcommittee of four decides what the committee of twenty is to do. The committee is now larger than NATO. It includes Switzerland, Austria and Sweden, which are not members of NATO and never will be. I am told there is a very strong movement on foot to have the membership left open to include one or two members of the commonwealth, as well as others. However, the lead in that direction, the inspiration, and the driving force, whether we like it or not, came, in my judgment, from the business-like approach of the Germans.

I suggest we should think twice before anything is done, because the Germans are a proud people. I believe the Adenauer Government is honest in its approach to this question; it is concerned that no Hitler will rise again in Germany, and we ought to be equally concerned. If we had been concerned about that after the First World War, probably there never would have been a Second World War.

So I say to the honourable Chairman of the External Affairs Committee (Hon. Mr. Thorvaldson) there is a great deal of work for your committee to do. I would like to see the questions concerning the new arrangements that we are entering into with the United States and the Atlantic community gone into. There is something brewing in that respect. It is of very great importance to all of us, and I would like the ministers concerned to come before the committee and tell us all about it.

Also I would like to hear more about the committee on Canadian-American relations. I understand that 24 delegates of the Canadian Parliament are going to Washington after Easter. I would like to know what our delegates from the Senate will talk about

when they get there. Those are most important and vital matters, and your committee would be a proper place in which to discuss them.

Further, I would like to see the GATT question explained and discussed before your committee. I can imagine, sir, that perhaps you may feel that is a borderline case, more properly associated with Canadian trade relations. It is, however, external in its nature. However, I would bow to your ruling, whatever it happens to be. I do trust it will be discussed before whichever committee is regarded as the appropriate one.

There is another question. Right now, as I understand it, there is a suggestion of our participating in the organization of the Atlantic states of both North and South America. I am not sure of the initials that stand for the name of this organization. Frankly, at the moment I know nothing about it, and I am desirous of obtaining information.

There are many more matters I wish to know about Mr. Chairman, and to which I would like to draw your attention. In conclusion I can say only this, that I commend you for your action in calling the committee together, and assure you that I will be only too happy to participate in its work in any way I can.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 270 to 285, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 17, 1960

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

Prayers.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, I would like to advise you that I expect we shall receive some time before the end of the week the bill to amend the National Housing Act, which is now before the other house. On that account, before making the usual motion to adjourn, I would ask for unanimous consent of the Senate to proceed with the second reading of that bill as the first order of business on Tuesday next. Have I the consent of the honourable members of the Senate?

Hon. W. Ross Macdonald: I think all honourable senators would probably agree to the proposal of the Leader of the Government (Hon. Mr. Aseltine). It seems to be a reasonable one, provided he does not require that we finish discussion on second reading next Tuesday. On that understanding, I would agree to the discussion commencing on Tuesday.

Hon. Mr. Reid: May I ask the leader the name of the bill of which he was speaking? I did not hear it.

Hon. Mr. Aseltine: It is a bill to amend the National Housing Act. It is quite an important measure.

Hon. Mr. Roebuck: Is the bill in our possession now?

Hon. Mr. Aseltine: No. The bill has not passed the other house yet, but I expect it will be passed there before the end of the week. I would not want to lose two days between the first and second readings in the Senate.

Hon. Mr. Roebuck: I presume the bill could be distributed by Monday, at least, so that we may have it in advance of the next sitting?

Hon. Mr. Aseltine: Immediately the bill is received from the other house copies will be placed in the post office boxes of honourable senators.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, March 22, 1960, at 8 o'clock in the evening.

Motion agreed to.

DIVORCE

APPEARANCES OF PRIVATE DETECTIVES BEFORE COMMITTEE

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

In how many cases did each one of the private detectives appear before the Divorce Committee during each one of the last five years?

Hon. W. M. Aseltine: Honourable senators, I present the answer to this inquiry.

For text of answer, see appendix to today's Hansard, *pp. 373-4.*

INDIAN BILL

SECOND READING

Hon. James Gladstone moved the second reading of Bill C-2, to amend the Indian Act.

He said: Honourable senators, I take pleasure in moving the second reading of Bill No. C-2, an Act to amend the Indian Act.

Before proceeding with my remarks in connection with this legislation, may I take this opportunity, which is the first one I have had at this session, to express my pleasure that our Speaker continues to preside over our deliberations with his customary charm and ability. May I extend my regards also to the genial and capable Leader of the Government (Hon. Mr. Aseltine) and to the equally courteous and able Leader of the Opposition (Hon. Mr. Macdonald). I would also be remiss if I did not welcome to our ranks the three senators recently appointed. They will, I am sure—they have given ample evidence of it—contribute substantially to our discussions here and also give aid and comfort to the comparatively few of us who represent the Government party in this chamber.

Honourable senators, the purpose of the present bill, in conjunction with its companion bill, No. C-3, an Act to amend the Canada Elections Act, is to remove the restrictions which stand in the way of the exercise by the Indians of Canada of the federal franchise on an equal basis with other citizens.

During the late 1940's a special joint committee of the Senate and the House of Commons recommended that the federal franchise be granted to all Indians. Certain amendments to the Canada Elections Act in 1950, and also to the Indian Act in 1951, implemented this recommendation, but only in part. Indian veterans and their wives and Indians ordinarily resident off reserves were given the franchise on the same basis as other citizens. However, the great bulk of the Indians, namely, those on the reserves, were required to waive their statutory right to exemption for taxation on or in respect of

personal property held on their reserves, before they could exercise the franchise. The present proposal is that the restriction, which applies to Indians living on reserves, be now abolished.

Honourable senators, the legislation now before us is of great importance to the Indian people of Canada. It is legislation which I heartily endorse personally, but as I am here as a representative of my people I must express their views also.

The legislation will extend to all treaty Indians the right to vote in federal elections. At the present time, the only ones with this privilege are war veterans, those who live in the north, and those who waive their exemption from paying income tax on their reserves. As a member of the Senate, I can stand and speak to you today, but I cannot go to the polls and cast my ballot. Like most of my people, I have no vote, no part in choosing the people who will be our representatives in the other place. The proposed legislation will correct that situation. It will permit my people to vote, and I hope the day will soon come when treaty Indians will be among our elected representatives.

But, on behalf of my people, I must express a fear which exists in the minds of many of them. Too often in the past the Government has given with one hand and taken away with the other. It has made the Indians suspicious—and rightly so—of any action which in any way changes their status. Previously such changes were usually for the worse, not for the better.

Please remember that many of my people have had only a limited education. This was the only kind available to them under the past policies of the Government. They do not understand the duties or responsibilities of the Indian Affairs Branch, the Indian Health Services, the House of Commons, the cabinet, or the Senate. To them it is all "the Government". And, over the years, the Government has come to be feared.

This proposed legislation is viewed with mistrust by some Indians for several reasons. One of the most important is that they feel the federal vote will in some way endanger their status as treaty Indians. Another is that in the past the only way an Indian on his reserve could get the right to vote was by starting to pay income tax. Now they are getting the vote and are afraid that the next step will be to enforce the paying of taxes. Others know that, with our poor education, some of our people do not know how to vote or do not understand anything about federal politics. They fear that there is some trickery involved that can do them no good, but which might do them some harm.

If I thought for one moment that any of these fears were justified, I would fight this bill to the very end. I would never support any legislation which could eventually bring hardship or harm to my people. However, I feel that this is an honest attempt on the part of the Government to bring our people to a greater level of equality with our fellow Canadians, but without any loss of our treaty rights. I do not believe that the Government would attempt to use this legislation as a lever to force anything distasteful upon my people. I pray to God that my trust is well founded.

Perhaps the greatest fear at the present time is the existence of section 112 of the Indian Act. This section can force any Indian out of treaty status without his consent. As long as he is over 21, able to support himself, and has advanced sufficiently to become a citizen, the Government can appoint a three-man committee to review his case and recommend his expulsion from his home, his relatives and his friends. Many of my people fear that the acceptance of the federal vote is a step toward the use of this section against them. They believe that to use their vote would be to risk losing their status as treaty Indians. You may tell them otherwise. You may even make promises. But as long as section 112 remains in the act, it hangs over their heads as a threat. The sooner this section is removed from the act, the sooner the Government will start to re-establish its trust with my people.

Another problem which exists with respect to the vote is the lack of understanding. My people have not been shown how the vote can benefit them. They have seen their war veterans vote, but they have failed to see any results which are tangible evidence that it has done any good. I hope now the Government will initiate some educational program to explain the vote and the responsibilities and benefits which will come to them. I am sure that there will be no hesitation now on the part of many persons actively engaged in politics to visit our reserves and to see our problems first hand. Soon our people will no longer be just Indians. They will be voters.

Do not feel that any hesitation by my people in accepting the vote is any indication that they are not interested in the affairs of this country. It is just that we have become cautious and distrustful after so many years of being ignored or victimized. We want to work side by side with our fellow Canadians and I believe the extension of the vote is an important move in that direction.

Therefore, honourable senators, in moving the second reading of this bill, I do so in a spirit of trust and honour between my people

and the Government. It is a great advancement for the Indians of Canada.

In warmly supporting this legislation I am thinking not only of the present Indian population, which is growing rapidly; I am thinking also, and perhaps primarily, of the generations of Indians to come. I hope and pray that their lot will be better than that of their forefathers and that in the future they will play an increasingly significant and helpful role in the development of this great country. It is my heart-felt belief that passage of this legislation will contribute more than many of us realize to the welfare of the Indian population and to the fair name of Canada.

Honourable senators, the companion bills, the joint effect of which I have outlined, were dealt with in a special way in the other place. It was there unanimously agreed that the discussion on both bills would take place exclusively on the motion for second reading of Bill C-2, an Act to amend the Indian Act. It was also agreed that there would be no discussion on the motion for second reading of Bill C-3, an Act to amend the Canada Elections Act. If other honourable senators agree, a similar procedure could be adopted by the Senate at this time.

Hon. W. Ross Macdonald: Honourable senators, this house is very fortunate in having such a member as the honourable gentleman from Lethbridge (Hon. Mr. Gladstone) to propose the second reading of this bill. He has done so in a very fair manner and he has explained clearly the attitude of his people toward this legislation. I think I can say at the outset that we all join with him in the wish that the bill will in no way endanger the status of his people as treaty Indians but that it will mark the beginning of a great advancement in the position which the Indians hold in the dominion of Canada.

The honourable gentleman comes from a great race which has served Canada well. There was a special instance of this in our time of need some one hundred and forty years ago. We must never forget the great obligation under which we shall always be to the Indian people of Canada. For that reason I am very glad that we are in a position to say to them that we want them to vote with us as equal citizens in every way and we hope they will accept the offer of the right to do so.

Honourable senators may be interested to know that Indians have had the right to vote in Canada from time to time. Prior to 1885 they had this right by virtue of the provincial acts of that day. In that year the federal franchise was given to Indians living in the provinces east of Manitoba, and it is to be noted that they did vote in the federal elections of 1887, 1891 and 1896. In 1898 the Franchise Act was repealed and the Indians' right to vote was determined by entitlement of persons eligible to vote in federal elections. Most Indians were not on provincial lists and accordingly they actually lost the right to vote in 1898. In 1920 the Government of the day brought in the Dominion Elections Act, whereby Indians were disqualified, excepting those who had fought in World War I. In 1944 the Indians who fought in World War II were given the right to vote, and in 1948 the right was conferred on wives of Indians who fought in the two world wars. In 1950 the Canada Elections Act was amended so that Indians ordinarily resident off reserves were entitled to vote; also Indians living on reserves could vote, provided they signed a waiver of their statutory right to exemption from taxation on or in respect of personal property held on their reserves.

Some honourable senators will recall that in 1940 a Special Joint Committee of the Senate and House of Commons recommended that the federal franchise be extended to all Indians. But it was found at that time that many Indians did not want the franchise, so Parliament, wisely or otherwise, decided that the recommendation should not then be put into effect.

From time to time since 1920 there has been a feeling that Indians should get the vote. As I have said, it was given first to returned soldiers and their wives; then to certain Indians living off reserves, and also to those living on reserves who waived an exemption from payment of taxes. I do not know how many thousands could have signed the waiver, but the number of those who signed it and thereby expressed their desire to have the right to vote was only 122.

The honourable sponsor of this bill explained, and I thought quite fairly, that even at the present time all Indians in Canada do not want the vote. As he has said, they fear that if they were enfranchised they might lose their rights under their treaties with Canada.

The Canadian Press conducted a recent dominion-wide survey in an attempt to get the views of the Indians with respect to this matter. I have the survey here.

Hon. Mr. Hugessen: When was the survey made?

Hon. Mr. Macdonald: In February of this year. I happen to have here the Canadian Press report, written by John LeBlanc, which appeared in a newspaper published by one of our distinguished senators, the Kingston *Whig-Standard*. Mr. LeBlanc points out that Indians now have the right to vote in four provinces—Ontario, British Columbia, Manitoba and Nova Scotia. In the last provincial

elections the Indians cast a very large vote in some parts of Canada, but in other parts their vote was small. I come from a part of Canada which is distinguished to a large extent by what was done for it by Indians who stood nobly by this country in the past. They took up their homes in the vicinity of the city of Brantford, where it is now my privilege to live. As honourable senators know, near that city is the Six Nations Reserve. It is not one of the largest reserves in area, though probably the largest by population, which, as of December 1, 1959, was 7,304. The Indians on that reserve had the right to vote in the last provincial election, but few of them exercised the right. I had the exact figures, but cannot lay my hand on them. The Canadian Press dispatch says that about 750 were eligible to vote. I should have thought more than that had cast votes, but the dispatch adds that only a few did so.

Honourable senators will recall that at Cornwall none of the Indians would vote at the last election. In Manitoba the Indians generally have accepted their right and are voting. I am making just a general statement. In British Columbia also the Indians have used their right to vote. The article states that in Nova Scotia provincial officials say the vote on some reserves runs as high as 80 per cent of eligibles. Prince Edward Island has a limited franchise, and officials say the Indians there take an active interest in voting.

In Quebec, apparently, the Indians have not taken too kindly to their right to vote. According to this newspaper report, at Quebec's big Caughnawaga reserve of more than 3,000, near Montreal, Chief Councillor Matthew Lazare says the giving of the franchise to Indians is an attempt to take their birthright away from them and that those on that reserve do not want to vote. Apparently they did not vote in the last provincial election. Another Indian Chief on that reserve said they did not want the vote, but they did want education.

Honourable senators will notice that Indians do not have the right to vote in Saskatchewan. Premier Douglas explains it in this way:

> It has been offered several times ... They don't want it. When the Indians show they want it, they will have it.

Honourable senators, I have made these references to what is taking place among Indian bands throughout Canada in order to point out that many bands do want the right to vote, but the desire for enfranchisement is far from unanimous. The Indians have other grievances, which I think we must take into consideration.

I am glad that not only the subject of voting but the whole question of Indian affairs is to be considered further by this joint committee. As I say, the Indians have their grievances, but they also have their rights, and we must try to determine just what those rights are. We want them to know that we would like them to be equal citizens with us, to share all the rights, all the privileges and all the opportunities of citizenship. I stand firmly with the honourable senator from Lethbridge (Hon. Mr. Gladstone) in saying that I hope this bill is one more step forward which will bring us together as equals.

Hon. Mr. Brunt: Will the honourable senator permit a question? I believe he said that a number of Indians had been given the vote on signing a waiver of exemption from taxation. Is that exemption large enough to include income tax, estate tax, excise tax, sales tax, and municipal taxes? In other words, are the Indians exempt from the payment of all dominion, provincial and municipal taxes?

Hon. Mr. Macdonald: I am sure they would not be exempt from sales tax. For instance, on purchases which they make at Brantford they have to pay the same sales taxes as the rest of us pay.

I am glad the honourable senator raised this point, because if there is any misunderstanding that acceptance of the right to vote will take anything away from the Indians it should be cleared up in the bill, so that they will know just what effect the legislation will have upon them. Of course, nothing is being taken away from them; they are to retain every right and every privilege they have at the present time. But if they feel that their treaty rights are being weakened by the bill—not taken away from them, but even weakened—then it occurs to me that there should be a preamble to the bill stating that they would lose no rights whatsoever. There are frequently preambles to other bills, but there is not one to this bill. There is some uncertainty as to the position of the 122 Indians who signed a waiver of exemption from taxation on income. If they feel they are still bound by the waiver and will have to continue to pay income taxes, notwithstanding this bill, why not put a few words in the bill to assure them definitely that they will be exempt from the tax? It would not weaken the bill, but rather would strengthen it. We want to have as few misunderstandings as possible between the Indians and the rest of us. In fact, there should be no misunderstanding at all.

If this bill goes to committee we should take a very careful look at it and make sure

that something is inserted to reassure the Indians that the legislation will deprive them of nothing, but instead will benefit them.

Hon. Thomas Reid: Honourable senators, before second reading is given to this measure I would like to make one or two remarks. I was very pleased that the honourable senator mentioned the provinces which had given Indians the vote. I speak subject to correction, but I understand that British Columbia was the first province to have an Indian member in its Legislature.

Hon. Mr. Macdonald: That is right.

Hon. Mr. Reid: In any case, British Columbia was not far behind any of the other provinces in giving the vote to Indians.

There are two suggestions I want to make. As many honourable senators know, I had the privilege of being on the previous Indian Affairs Committee, which sat during some three sessions. I put in six weeks of my own time, not officially, but unofficially, visiting the various chiefs and reserves in British Columbia. I heard many things from the chiefs and those I met spoke very freely with me. I do not want any misinterpretation placed on what I say to honourable senators, that invariably everywhere I went every chief and all whom I interviewed had the same request, namely, that their children should go to the same schools as the white children. And I don't mind saying that after I returned to Ottawa, some two weeks later, over 50 per cent of the chiefs sent me a letter withdrawing the suggestion they had made to me. It seemed to me that some pressure had been brought to bear on the Indians, for they had spoken to me frankly; they were not pressured, shall I say, to say what they said to me. At one place, near Chilliwack, I spent a whole day and met twelve chiefs, who represented twelve tribes. After that I went to the interior and met chief after chief, sometimes two and sometimes four at one time, and they all expressed the same complaint about education. British Columbia is, I believe, the most forward province in regard to education for Indian children.

I am going to make one suggestion, that perhaps the word "Indian" in itself should be done away with. Why should we, after a hundred years, still call the first Canadians "Indians"? Honourable senators who have contacts with Indians, as I have, realize that some of them are so far removed from their ancestors that they probably do not have more than 10 per cent Indian blood.

Hon. Mr. Beaubien: Are they not proud to be called Indians?

Hon. Mr. Reid: Many are, but some do not particularly care. I suggest it as a change that we should think of. I maintain in all seriousness that we have set them apart too long by designating them by that term.

Hon. Mr. Macdonald: You won't let the term "Scottish" be taken away from you.

Hon. Mr. Reid: I have always maintained that I am a Canadian, and if my voice betrays the country from where I came I am not ashamed of it. But ever since the day I came to Canada I have called myself a Canadian. I want to be designated a Canadian, and I cannot understand anyone who dislikes being known as a Canadian.

Hon. Mr. Horner: You are not afraid Indians would be offended if you called them Scotsmen?

Hon. Mr. Reid: Well, I will tell you, if there are any good Indians the Scots can take some of the credit for that. You know the story about the Scotsman who told the Englishman that in the early days many Scottish factors married Indian women. The Englishman said, "You wouldn't find an Englishman doing that." The Scotsman replied, "No, the Indians had to draw the line somewhere."

Hon. Mr. Macdonald: Honourable senators, may I ask if this is a proper subject to debate on St. Patrick's Day?

Hon. Mr. Reid: I thought I would get in my remarks before anybody started on St. Patrick.

In all seriousness, some thought should be given to my suggestion. I know conditions are not the same today as when I first came to Canada. There used to be a sort of stigma attached to the word "Indian". For instance, sometimes it would be said of a drunkard, "He's an Indian". Now we are getting away from all that and I am just wondering how many hundreds of years will pass before all Canadians are called Canadians. People of many races who live in or close to the cities and towns have followed the call of nature and intermarried, and today I think you cannot say that the standard of living of Indians is not as good as those of other Canadians. On visiting an Indian village on Vancouver Island I was amazed at their fine modern homes. They would match the homes in good districts in any city in this country. Every Indian had a motor car and the children were going to public schools. All the men were fishermen and doing well.

I know I may be ahead of my time in saying this, and probably I won't live to see

it accomplished, but I would like to see all people who are Canadians call themselves Canadians.

Hon. Mr. Haig: May I ask the honourable senator a question: Did he say that the schools in British Columbia prohibited Indian children from attending their classes?

Hon. Mr. Reid: No. I said that British Columbia was extending public schools to the Indian children and was leading the way toward having Indian children attend the public schools and mix with the other children. Believe me, when you separate the children you separate the families.

Hon. Mr. Haig: There has never been any such prohibition in Manitoba.

Hon. William M. Wall: Honourable senators, before the bill receives second reading, may I inquire whether it is to be referred to a committee?

Hon. Mr. Aseltine: Yes, it is.

Hon. Mr. Wall: I ask this particularly because of the fears expressed by the honourable sponsor of the bill (Hon. Mr. Glastone) with regard to section 112 of the Indian Act. Since the bill would repeal section 86 of the act it would seem to be logical to repeal section 112 also if it is causing any concern. I hope that point will be raised in committee.

I am glad the honourable Leader of the Opposition (Hon. Mr. Macdonald) referred to the uncertainty as to whether 122 waivers of income tax exemption will be cancelled by this legislation. What is the definite opinion on that?

Generally speaking, honourable senators, I think it is a source of deep pleasure to us to deal with a bill of this type and to know that the Indian people of Canada are going to be given the franchise, which, as citizens of this country, they deserve.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Gladstone, bill referred to Standing Committee on Banking and Commerce.

CANADA ELECTIONS BILL

SECOND READING

Hon. James Gladstone moved the second reading of Bill C-3, to amend the Canada Elections Act.

He said: With the permission of honourable senators I would ask that the same action be taken on this bill as on the previous bill. When it has been given the second reading, I shall move that it be referred to the appropriate committee.

Hon. W. Ross Macdonald: Honourable senators, I would be pleased to concur in the suggestion made by the honourable senator from Lethbridge (Hon. Mr. Gladstone). I should, however, like to mention briefly one point. A question was asked by the honourable junior Senator from Winnipeg (Hon. Mr. Wall)—

Hon. Mr. Haig: Better be right.

Hon. Mr. Macdonald: I am sure the honourable senior senator from Winnipeg (Hon. Mr. Haig) agrees with what the honourable junior senator had to say. He questioned whether the waivers signed by 122 Indians would be automatically cancelled by passage of this bill.

Hon. Mr. Aseltine: I have the opinion of the Department of Justice that the waivers will be cancelled by this bill.

Hon. Mr. Macdonald: I am glad to know that the Leader of the Government (Hon. Mr. Aseltine) has the opinion of the Department of Justice on this point. However, as he and all other lawyers in this house know, the Department of Justice has at times given opinions which the courts of the land have not upheld.

Hon. Mr. Aseltine: Not very often.

Hon. Mr. Brunt: To wit, the Canadian Breweries case.

Hon. Mr. Macdonald: To wit, the Canadian Breweries case, as mentioned by the honourable senator from Hanover (Hon. Mr. Brunt).

Even though the honourable leader has the opinion of the Department of Justice, he might very well get an opinion from another source on the effect of passage of this bill. My suggestion is that the committee should carefully consider whether or not a clause covering that point should be added to the bill, notwithstanding the opinion expressed by the Department of Justice.

I do not intend to argue the point at this time; I merely say that when the bill goes to the committee I trust that serious consideration will be given to that question.

Hon. John T. Haig: Honourable senators, I rise to defend the Minister of Justice. I do not think he is as bad a lawyer as the honourable Leader of the Opposition (Hon. Mr. Macdonald) would indicate by his remark, nor do I think the officials of the department are bad lawyers.

Having practised law for some fifty-four years, I am sometimes shocked to hear that judges do not always agree with what I think the law should be.

Hon. Mr. Brunt: Surely not.

Hon. Mr. Macdonald: I can understand that.

Hon. Mr. Haig: It shocks me to hear a judge say "Case dismissed" when the law in the case seems to me to be all on my side. However, when I am before the Court of Appeal I sometimes find the judges there agree with the trial judge.

We have in this house a few lawyers—not very many—and I believe their combined wsidom is adequate to work out a solution to this question without bringing the opinion of the Department of Justice into it. I have great confidence in the committees of this house. From a legal standpoint they have, with few exceptions, been able to work out their own opinions in matters of this kind. In some instances they have differed with the views of the lawyers employed by the Government. That is only natural, because most senators who are members of the bar—men and women—have had a good deal of every-day practice, and thereby have obtained a broader experience than is gained from sitting as an arbitrator and giving opinions on certain questions.

My suggestion is that we refer these bills to the proper committee without attaching any conditions. I am sure it is the desire of all of us, as expressed by the Leader of the Opposition, to give the Indians a square deal. We want to give a fair deal to these people who have so long been inhabitants of this country and helped us through troublous times, particularly during the two Great Wars when they came forward in such large numbers to help defend the name of Canada.

For the reasons I have given, I would suggest that we consider the bills in committee, without requesting the opinion of the Department of Justice on the question that has been raised. I would leave the legal questions to the judgment of our own lawyers, and for once we may be able to override the Department of Justice officials, if they are wrong.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Gladstone, bill referred to Standing Committee on Banking and Commerce.

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY—SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

He said: Honourable senators, this is a bill pertaining to two railway companies which have been incorporated under the laws of two of the provinces of Canada. The first company, the Wabush Railway Company Limited, is a Newfoundland company incorporated under the laws of the province of Newfoundland. The second company, the Arnaud Railway Company, without the word "Limited", has been incorporated under the laws of the province of Quebec. Both these companies were conceived and came into being in connection with the development of the vast iron ore deposit at Wabush Lake in Labrador, in the province of Newfoundland. Furthermore, both railways form an intricate part of a scheme which is being developed to transport iron ore from Wabush Lake to a dock in the vicinity of Seven Islands, in the province of Quebec.

In the case of the Wabush Railway Company Limited, the proposed route of this railway lies wholly within the province of Newfoundland, and it connects the Wabush Lake area to the now existing Quebec North Shore and Labrador Railway at mile 224. This railway will be built for a distance of approximately 40 miles.

The proposed route for the Arnaud Railway Company lies wholly within the province of Quebec, and runs from a point near mile 8 on the Quebec North Shore and Labrador Railway to the dock site at Pointe Noire. The length of this railway will be approximately 20 miles. The companies which are interested in developing the iron ore propose to use the services and railway facilities of the Quebec North Shore and Labrador Railway between mile 8 and mile 224 of this railway.

It should be pointed out that the Quebec North Shore and Labrador Railway Company is what is commonly known as a federal railway company, incorporated under the laws of the Dominion of Canada, and is under the jurisdiction of the Board of Transport Commissioners. The two railways referred to in this bill are what are known as provincial railroads, having been incorporated under the laws of the provincial Legislatures. In order to complete in the proper manner the transportation network that is necessary to bring the whole project under the jurisdiction of one authority, namely, the Board of Transport Commissioners, this bill is now being presented to Parliament.

The requested legislation which we are considering today has ample precedent in our legislative history. Furthermore, this legislation is considered to be in the interest of our Canadian economy and to the general advantage of Canada, and when passed it will bring these two railroads under the

jurisdiction, first, of the Parliament of Canada, secondly of the Railway Act, and finally, of the Board of Transport Commissioners.

I would like to take just a few minutes to speak about the development of the Wabush Lake project which is being undertaken at this time by a company known as the Wabush Iron Company Limited.

Hon. Mr. Reid: Is that the Cyrus Eaton company?

Hon. Mr. Brunt: No, I do not think so. I will eventually tell you who owns this particular company.

This company has leased a vast iron ore deposit in Labrador, and the necessary rights have been accorded by the province of Newfoundland to develop the mine and to concentrate the crude ore into a product of such outstanding quality that it is the hope of the company it will be used in steel mills throughout the world.

Wabush Iron Company Limited is owned and operated by several steel companies, one of which we are familiar with, namely, the Steel Company of Canada. The other companies that are interested in the development of this mine include Youngstown Sheet and Tube Company, Inland Steel Company, Interlake Iron Corporation, Pittsburgh Steel Company and Mather Iron Corporation.

Hon. Mr. Roebuck: Are they all in the United States?

Hon. Mr. Brunt: They are all in the United States, except the Steel Company of Canada, which is a Canadian corporation.

Beginning in 1957, Wabush Iron Company Limited undertook an orderly and thorough examination of all the aspects involved in such a large capital undertaking as this. Its work included an examination of the ore deposit in order to ascertain its extent; secondly, an examination of the best processes to develop and concentrate low grade crude iron ores; and, finally, it has been necessary for this company to work out and determine the final cost at which iron ore can be delivered to steel company consumers.

A pilot plant began operations on March 1 of this year, and it is estimated that by the end of the current year the investment in this undertaking will exceed $20 million. In order to develop the property fully in accordance with the present plans a capital investment of between $150 and $200 million will be required. As all honourable senators will know, in order to develop a project such as this a mine must first be opened, then a plant has to be constructed, incidental maintenance facilities have to be provided, a new town created, and finally, facilities have to be provided to transport the ore from the mine to the steel companies.

Initially, it is expected that the productive capacity of this mine will be in the neighbourhood of 5 million tons per year, with production gradually increasing until maximum production of 10 million tons per year is reached.

The transportation of iron ore in the quantities mentioned and over the distances contemplated is of major importance to this venture, and as presently planned the Wabush ore would move over the three railroads which I have previously described. The Wabush Railway portion is already under construction in accordance with a joint arrangement which has been entered into between Wabush Iron Company and another company in this area which is doing similar work. I am advised that the sub-grade is largely completed, and that track-laying will be completed later this year. Furthermore, according to studies made by qualified engineers and experts, no substantial improvements or changes will have to be made to the roadbed of the Quebec North Shore and Labrador Railroad in order for this latter company to properly handle the projected tonnage which I referred to earlier.

At the present time the Quebec North Shore and Labrador Railroad handles ore for a period of eight months a year. When the Wabush ore is ready to be shipped this company intends to ship it for the entire year. This will be made possible largely by the ability of the Wabush Company to control the moisture content of the concentrated ore, thereby eliminating or, at least, substantially reducing, the problem of handling frozen ore.

Construction of the second railroad referred to in the bill as Arnaud Railway Company will be timed to coincide with development of the Wabush iron ore property. At the present time Wabush Iron is not in a position, and does not intend, to construct a single new railway directly from the mine to the St. Lawrence River. The movement of ores from the deposit will be carried out on a train-load basis. By that I mean that once enough cars have been assembled to make up a train-load they will proceed across the three railroads as described for a total distance of 280 miles. Once the cars are emptied they will return as a group in a train-load to the iron ore property in the same manner.

The middle link of this transportation system, namely, the Quebec North Shore and Labrador Railway Company—

Hon. Mr. Macdonald: Who owns that company?

Hon. Mr. Brunt: The Iron Ore Company of Canada, I believe, is the owner of this railroad.

The Quebec North Shore and Labrador Railway Company is a federal railroad company which is subject to the jurisdiction of the federal regulatory authorities, and, as might be expected, Wabush Iron Company Limited is going to have to enter into negotiations and make lasting arrangements with this middle-link railway for the economical transportation of its ores, and such arrangements must come under the jurisdiction of a single regulatory authority. In Canada there is only one such authority, that being the Board of Transport Commissioners. Enactment of this bill will bring these two companies under the authority of that board also.

Honourable senators, with your permission I would like to take a few moments to describe briefly the capital structure of these two railroads. I think you will be interested in it. The first mentioned company, the Wabush Railway Company, was incorporated on April 20, 1955, with an authorized capital stock of $20 million divided into 2 million shares of a par value of $10 each. Up to the present 173,048 shares have been issued and are outstanding. These shares are owned as follows: Wabush Iron Company Limited 173,039 shares. There are nine directors, each of whom has one share.

The Arnaud Railway Company was incorporated on March 5, 1959, with an authorized capital of $1 million divided into 10,000 shares of par value of $100 each. Of the authorized capital 1,000 shares have been issued and are outstanding at the present time. This stock is held as follows: Wabush Iron Company Limited, 989 shares; A. M. Minnion, a Canadian, one share; Rodney A. Patch, a Canadian, one share; and one share has been issued to each of the nine directors.

Hon. Mr. Isnor: Am I to understand that there are two Canadian and nine American shareholders?

Hon. Mr. Brunt: I will tell you the nationality of the shareholders. The nine directors of the Wabush Railway Company Limited are: H. G. Hilton of Hamilton, Ontario, a Canadian; V. W. Scully of Hamilton, Ontario, a Canadian;—

Hon. Mr. Macdonald: Of the Steel Company of Canada?

Hon. Mr. Brunt: Both of them are connected with the Steel Company of Canada. The other directors are:

Name	Residence	Citizenship	Occupation
P. D. Block, Jr.	Chicago, Ill.	United States	Vice-Chairman, Inland Steel Company
R. P. Bremner	Youngstown, Ohio	" "	Vice-President Youngstown Sheet and Tube Co.
A. S. Glossbrenner	" "	" "	President, Youngstown Sheet and Tube Co.
H. C. Jackson	Cleveland, Ohio	" "	Associate Managing Partner, Pickands Mather and Co.
George McCuskey	Youngstown, Ohio	" "	Vice-President Youngstown Sheet and Tube Co.
John Sherwin	Cleveland, Ohio	" "	Senior Managing Partner, Pickands Mather and Co.
J. G. Smith	Pittsburgh, Pa.	" "	Vice-President Pittsburgh Steel Co.
R. W. Thompson	Cleveland, Ohio	" "	President, Interlake Iron Corporation

The officers are:

Office	Name	Citizenship
President	John Sherwin	United States
Vice-President	H. C. Jackson	United States
Vice-President	George McCuskey	United States
Vice-President	V. W. Scully	Canadian
Secretary	K. S. Benson	United States
Asst. Secretary	Robert McInnes	Canadian
Asst. Secretary	R. L. Oldenburg	United States
Treasurer	E. C. Brunner	United States
Asst. Treasurer	R. O. Ellsworth	United States

The directors and officers of the Arnaud Railway Company are:

Name	Citizenship
H. G. Hilton	Canadian
V. W. Scully	Canadian
P. D. Block, Jr.	United States
A. S. Glossbrenner	United States
H. C. Jackson	United States
George McCuskey	United States
John Sherwin	United States
J. G. Smith	United States
W. J. Williams (Manager Construction and Development, Pickands Mather and Co.)	United States

Officers

Office	Name	Citizenship
President	John Sherwin	United States
Vice-President	H. C. Jackson	United States
Vice-President	A. S. Glossbrenner	United States
Vice-President	H. G. Hilton	Canadian
Vice-President	W. J. Williams	United States
Secretary	K. S. Benson	United States
Asst. Secretary	Robert McInnes	Canadian
Asst. Secretary	R. L. Oldenburg	United States
Treasurer	E. C. Brunner	United States
Asst. Treasurer	R. O. Ellsworth	United States

Hon. Mr. Macdonald: May I ask if the two railways, the Wabush and the Arnaud, are now in operation?

Hon. Mr. Brunt: No, they are just being built.

Hon. Mr. Macdonald: Neither is operating?

Hon. Mr. Brunt: No. The roadbed for one railroad has been completed and they are commencing to lay rails. In connection with the other railroad, they hope to have it completed by the time the iron ore property is in production.

Hon. Mr. Power: The Canadians who own two shares, are they directors too?

Hon. Mr. Brunt: Yes.

Hon. Mr. Power: One share each?

Hon. Mr. Brunt: That is right.

Hon. Mr. Power: They have not been mentioned as directors of Wabush.

Hon. Mr. Brunt: I thought those were the first two names I mentioned, H. G. Hilton and V. W. Scully of the Steel Company of Canada.

Hon. Mr. Power: Does each own one share in Arnaud Railway Company?

Hon. Mr. Brunt: That is right.

Hon. Mr. Power: The remaining shares are held by whom?

Hon. Mr. Brunt: By the Wabush Iron company.

Now I will deal with the bill itself, which is very straightforward. Section 2 states that the railway works and undertakings are declared works for the general benefit of Canada. These words have their origin, I understand, in section 91 of the British North America Act which gives the Parliament of Canada the right to declare provincial railway works to be works for the general advantage of Canada. This means that such railways become subject to the jurisdiction of this Parliament rather than remaining subject to the jurisdiction of the province under whose laws the railway company was originally incorporated.

The Railway Act provides, in section 7, that Parliament may by special act declare a railroad, the construction or operation of which is authorized by a special act passed by the Legislature of any province, "to be a work for the general advantage of Canada". In such event the Railway Act applies to the railway and to the company constructing and operating the same. Pursuant to this particular section, and to the B.N.A. Act, many special acts have been passed by Parliament declaring railways to be works for the general advantage of Canada. If any honourable senator wishes it, I could give a list of about twenty railroads that have been brought under the jurisdiction of the Parliament of Canada.

Hon. Mr. Connolly (Ottawa West): Any recently?

Hon. Mr. Brunt: Yes. The most recent one seems to have been the Lacombe & Northwestern Railway Company, which was incorporated in 1928-29 under the laws of the province of Alberta.

Once a provincial railway is made subject to the Railway Act of Canada all the provisions of that act apply. That is to say, the railway will be subject to the jurisdiction of the Board of Transport Commissioners as to its construction, operation, specifications, safety, tolls, tariffs, and generally all matters relating to the operation of the

railway. Until this declaration is made and until the Railway Act is made to apply to each of these provincial railways, the Board of Transport Commissioners and the Parliament of Canada have no jurisdiction over these two provincial railway companies.

Section 3 of the bill is divided into two subsections. The first provides that the companies shall continue to have the rights, powers and privileges which have been conferred upon them by the various provincial acts. This, I understand, is in keeping with the past practice in bills of this nature and it is necessary that these rights, powers and privileges be confirmed and not upset in any way by the enactment of the present bill.

Hon. Mr. Roebuck: What about amendments in the future?

Hon. Mr. Brunt: Once they are under the jurisdiction of the Parliament of Canada I do not think a provincial amendment could affect them in any way. It could not override the dominion statute.

Hon. Mr. Roebuck: Not unless it is in the bill.

Hon. Mr. Brunt: Well, it is not in the bill.

Hon. Mr. Connolly (West Ottawa): What about amendments the company might require in the future?

Hon. Mr. Brunt: Would the companies not come here? Once this bill is passed these two railways will be under the jurisdiction of the Parliament of Canada.

Hon. Mr. Connolly (Ottawa West): May I ask another question? I do not look for the answer now, but perhaps at committee stage the honourable senator might be able to satisfy us. These companies have been incorporated provincially. Perhaps the sponsors of the bill would be able to tell us at the committee stage whether there are any powers which have been conferred upon these companies by these provincial statutes or letters patent which they could not have had by incorporating federally.

Hon. Mr. Brunt: I will endeavour to get that information.

Hon. Mr. Power: Perhaps the honourable senator would allow us to have a look at the statutory agreement referred to in The Wabush-Carol Agreement, which apparently is an act of the Legislature, and which in some way may affect the rights conferred on these companies. I note that the bill as drafted says, in section 3:

> Nothing herein contained shall be construed so as to affect or render inoperative any of the provisions of the acts of the Legislature—

If the honourable gentleman had said in his opening remarks that this bill would conform with the acts of the Legislature, perhaps I would have understood him better; but here we are laying down as a rule that nothing we do here, even placing these corporations, these railways, under the control of the Board of Transport Commissioners is to be construed as rendering inoperative provisions of certain legislation and certain agreements made by the Legislature of Newfoundland. That is perhaps going pretty far.

Hon. Mr. Brunt: The sole purpose of that, as I think I mentioned earlier, is to provide that the companies shall continue to have the rights, powers and privileges which were conferred upon them by various provincial acts.

Hon. Mr. Power: You are trying to get the best of both worlds, that is what you are trying to do.

Hon. Mr. Brunt: Let me just repeat something else, and I understand that this is in keeping with the best practice in bills of this nature, that it is necessary that these rights, powers and privileges be confirmed, and not upset in any way by the enactment of the present bill.

Hon. Mr. Roebuck: May I ask a question? What worries me in this connection is the relationship of these companies to the province. To begin with, I would like the honourable senator to tell us how much they are paying for the ore they take from the province.

Hon. Mr. Brunt: That information can be obtained in committee. That is why we send these bills to committee, to get all the details. I cannot possibly get down to details such as this and come up with an answer of that kind. If the bill is referred to a committee, representatives will be there from the iron ore company and they will furnish that particular information.

Hon. Mr. Roebuck: Very well. One of the reasons why we discuss a bill of this kind before it goes to committee is to warn the sponsors of the bill of what they will have to meet when they are in the committee. I think one of the very important features of this bill—

Hon. Mr. Brunt: May I finish my remarks in connection with the bill? Then if the honourable senator wants to speak on the bill—

Hon. Mr. Roebuck: I am not speaking on the bill, I am asking a question about it

Hon. Mr. Brunt: You asked how much they were paying for iron ore, and my answer is that that information will be provided in committee.

Hon. Mr. Roebuck: But go ahead, if you want to.

Hon. Mr. Brunt: I would prefer to finish the presentation, and then if there are questions I will answer them if I can, and if I am unable to answer I will endeavour to have the answers when the bill is referred to committee.

Hon. Mr. Roebuck: I will wait.

Hon. Mr. Brunt: Paragraph 2 of section 3 grants to Wabush Lake Railway Company Limited the power to construct, prior to January 1, 1965, and the power to operate a railway from the mine to the Quebec-Newfoundland boundary; and further grants corporate authority to Arnaud Railway Company to construct, prior to January 1, 1965, and to operate a railway from its connection with the line of Wabush Lake Railway Company Limited at the Quebec-Newfoundland boundary down to the St. Lawrence River at or near Pointe Noire, which is about twenty miles from Seven Islands.

Hon. Mr. Macdonald: Is that after January 1, 1965?

Hon. Mr. Brunt: Prior to January 1, 1965.

Hon. Mr. Macdonald: I am talking about the operation.

Hon. Mr. Brunt: The railroad must be constructed prior to January 1, 1965. Once it is constructed it will have the right to operate as long as its iron ore is being shipped.

Hon. Mr. Macdonald: I did not think it was clear in the bill.

Hon. Mr. Brunt: I would like to point out at this time that it is not the intention to construct, and these two companies do not contemplate constructing, a separate railroad from mile 224 down to mile 8, which will parallel the Quebec North Shore and Labrador Railway line. The authority, however, is requested at this time so that if appropriate arrangements cannot be worked out between these two provincial railway companies and the Quebec North Shore Labrador Railway, an alternative method of transporting the ore will be available. In other words, if it is found that a satisfactory agreement cannot be worked out with Quebec North Shore Railroad, then they will have the right to build a parallel railway line. However, if such railway line is to be built it must be built before January 1, 1965, at which time the power to build lapses.

Hon. Mr. Roebuck: Will they have to get the approval of the board?

Hon. Mr. Brunt: Oh, yes.

The next thing I was going to mention is that if such a full-length railway is built it will have to be built under the jurisdiction of the Board of Transport Commissioners, who will determine the terms, conditions and provisions under which such construction can take place.

Section 4 of the bill provides that—

Hon. Mr. Power: May I ask a question, before you continue? I am a bit perplexed in this case. Normally, when a railroad is incorporated it is stated in the bill the points which are to be reached by the railway, that is to say, from such a point to such a point. In this bill, paragraph 2 of section 3 says:

> Without limiting the generality of the foregoing, Wabush Lake Railway Company Limited may construct, prior to January 1, 1965, and may operate a railway from the mine of Wabush Iron Company Limited, near Wabush Lake, in Labrador, by the most convenient route to or about the Quebec-Newfoundland boundary, to connect with the railway—

I do not think my honourable friend can tell me just where the Quebec-Newfoundland boundary is.

Hon. Mr. Brunt: No, I can't. I have a little map here.

Hon. Mr. Power: Well, if the map was filed in the province of Quebec, you will find that large sections of what my honourable friend may take to be Newfoundland territory are included as belonging to the province of Quebec. That would leave the description of the route and the railway somewhat up in the air, because one line goes to the boundary of Quebec in Newfoundland and the other takes on from there. If we do not know where the boundary is, where are we going?

Hon. Mr. Brunt: Well, there is one other point described, thank heaven—the boundary between Newfoundland-Quebec at mile 224 of the Quebec North Shore Railway Company.

Hon. Mr. Power: Who said that, the Quebec North Shore Railway or the province of Newfoundland and the province of Quebec?

Hon. Mr. Brunt: I am just saying that we have two descriptions of the point, and surely from these we can fix it, even though there is a dispute.

Hon. Mr. Power: There is nothing in the bill that I can see which says you are to go to mile such-and-such of the Quebec North Shore Railroad.

Hon. Mr. Brunt: That is right. No, it is not in the bill.

Hon. Mr. Power: It is not in the bill. Normally in such a bill we do describe the points which are to be reached by the railway, and I am indicating to my honourable friend, without endeavouring to perplex him, that that information is not in this bill.

Hon. Mr. Brunt: I always like comments by the honourable senator from Gulf (Hon. Mr. Power), because he can really raise a worth-while problem. I will bring the matter to the attention of the sponsors and will try to have the answer when the bill is being considered in committee.

Section 4 of the bill provides that this company shall be subject to the Railway Act of Canada. This I discussed earlier.

A question may be asked as to why no reference is made in this bill to the Companies Act of Canada. The Companies Act contains a provision which in effect states that such act does not apply to railroads.

Section 5, the final clause of the bill, grants to the two companies authority to enter into agreements with any company for selling, conveying or leasing the railways of the company or for purchasing railways or for the amalgamation of railways, all of which shall be subject to section 153 of the Railway Act, which sets up the procedure for agreements of sale, leasing and amalgamation, which are only permitted after a company is so authorized by special act of Parliament. Most of the bills which have been presented to this Parliament with regard to railway companies contain sections similar to this one. As a matter of fact, a similar clause appears in a special act incorporating the Quebec North Shore and Labrador Railway, which act was passed in 1957.

Finally, I might mention that at present there are no agreements outstanding between the Wabush Railway and Arnaud Railway as to rates, amalgamation or otherwise, dealing with any other railway companies.

Honourable senators, if the bill receives second reading I will move that it be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Connolly (Ottawa West): Before the honourable senator finishes, I would like to ask him just one question, and again it may be that he has not information to answer: Does he know the origin of the name "Arnaud" in connection with this company.

Hon. Mr. Brunt: I have no information as to that.

Hon. Arthur W. Roebuck: Honourable senators, I was asking some questions and perhaps making comments at the same time. I was saying that the problem that presents itself to my mind in this incorporation is the relationship between this company and the Province of Newfoundland. I suppose we could leave the Province of Newfoundland to take care of itself, but that is not the principle on which we operate in this chamber. We are very careful to protect provincial rights, so I would suggest that we have the concurrence of the authorities of Newfoundland before we pass this bill, and know that it is satisfactory to them. For instance, I would like to be assured that the rights of the provinces with regard to the collection of money dues which are levied per ton of ore are properly protected. I would like to have detailed information on the agreement between the Province of Newfoundland and these two companies. They have now three companies. The Quebec North Shore and Labrador Railway has been operating for some little time and carrying something like 12 million to 14 million tons of ore—iron rust is what it is—over a railway of about 300 miles in length. The ore is brought down to a switching yard at Seven Islands. It passes out of this company's possession there into that of another company which does the loading. I can quite understand what the arrangement will be with the Wabush Railway Company. They will use a portion of the North Shore line, deliver their ore, as the North Shore does, to the loading company, whereupon it will be transferred to ships and carried off to the United States for the most part. It is nearly all going there now, so I understand, from the North Shore Railway.

It may involve some little difficulty if my honourable friend's estimate of the amount of ore that is to be carried is as high as he says—something like 10 million tons. That, however, is not our problem, but the problem of the engineers. Our problem is to protect the public rights of the people of Newfoundland in a deal of this kind. No doubt the province has entered into an agreement with Wabush and the other railway for the payment of so much per ton; that is what is happening now with the North Shore and with the people who finally get the iron ore and use it. There is an agreement to pay so much per ton—I do not remember the amount, but it is very small.

I would like to be sure that after that agreement expires, and the province has the right to review it and perhaps change the figures, we shall not in any way be interfering with

any rights which the province may have or may have retained. It is not likely we shall be doing so, but I would want to be assured of that before I agree to passage of this bill. The railroad will be declared to be for the general benefit of Canada and therefore under federal control, instead of being under control of the Province of Newfoundland. That is my concern with regard to the matter.

I think my honourable friend will find he is pretty optimistic when he says this road is to operate all year. The Quebec North Shore and Labrador Railway runs for only about eight months a year and freezes up in the winter. It does, however, run small freight and passenger trains very irregularly during the freeze-up, perhaps not more than one a day or two a week, to serve the little towns and small settlements along the line.

The North Shore is a railroad about 300 miles long, and is operated in two divisions. At the central divisional point there is a very small settlement, and at the far end there is another small settlement. One can scarcely call them towns; they are settlements, and they must be continually supplied. That is all that railway does during the winter months.

I feel my honourable friend is a bit optimistic when he thinks that the Wabush will be able to run for twelve months of the year. It will have some pretty severe conditions to meet. I am afraid the men who operate the trains under those conditions will find it most difficult, particularly so when the last agreement between the North Shore and Labrador Railway and its men provides for a reduction in the operating crew on trains. All over the dominion of Canada trains carry two men at the rear. In this area the railway has eliminated one of those men, the rear brakeman; it has also eliminated the fireman. That means the railway is running with a skeleton crew, cutting expenses in every possible way, chiselling to the last degree in its function of carrying this valuable ore. To me it looks like a great bonanza for those who are investing the money.

Honourable senators, I am very jealous of the rights of the Province of Newfoundland in connection with the use and exploitation of its vast deposits of iron ore.

Hon. Mr. Brunt: May I answer the questions of the honourable gentleman?

Hon. Mr. Macdonald: Are you closing the debate?

Hon. Mr. Brunt: No, I am just answering the questions he has raised.

My understanding is that this bill has been submitted to the Government of Newfoundland and that it has no objection.

With respect to the shipping of ore for twelve months of the year, I can only rely on the information that was provided to me by the engineers who work for the Wabush Iron Company Limited. They tell me they can ship their ore for twelve months of the year.

Hon. Mr. Roebuck: Can they ship by sea for twelve months of the year?

Hon. Mr. Brunt: I understand that that part of the St. Lawrence is open throughout the year.

Thirdly, as to congestion, it is quite possible there may be some congestion in the switching yards, but there will be none in the unloading of the ore from the railway cars to the boats, because the Seven Islands railways have their own loading docks and wharves.

Hon. Mr. Roebuck: Does the Wabush company have its own loading docks?

Hon. Mr. Brunt: Yes, they are entirely separate. This 20 miles of railway to be built at the south end will go around the present wharves and docks now being used, to the new wharves and docks being constructed.

Hon. Mr. Macdonald: The honourable senator referred to the fact that the Province of Newfoundland had no objection to this bill. What about the Province of Quebec?

Hon. Mr. Brunt: I understand the bill has been submitted to the Province of Quebec and that it has no objection.

Hon. John J. Connolly (Ottawa West): Honourable senators, may I say a few words about this bill? We are all indebted to the honourable senator from Hanover (Hon. Mr. Brunt) for the kind of explanation that he traditionally and consistently brings to the house about complicated measures of this kind.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Brunt: Thank you.

Hon. Mr. Connolly: As I understand his explanation, it is proposed, in effect, that these two railway companies will construct certain lines of railway to run trains, partly over their own tracks and partly not, to connect a mining development inland with the seaport. It is proposed that facilities which are now owned and operated by the Quebec North Shore and Labrador Railway Company will be used by these companies under an arrangement either to be worked out between the companies or to be ordered

after an appropriate application before the Board of Transport Commissioners.

I think there is some analogy between the situation we are asked to deal with here and a situation which confronted us a week or so ago in connection with the application for incorporation of the Matador Pipe Line Company Ltd. The proposal in that case was that the company build a line from the United States border into Manitoba, there to connect with the facilities of a trans-Canada pipe line system called Interprovincial; that the oil introduced into the trans-Canada system would then be taken down to the refinery areas in Wisconsin or Minnesota. One of our problems was whether or not that project was a valid one. From the point of view of the members of the committee and of this chamber, our position had to be that we did not have the facilities to determine whether or not the project was a valid one.

As I say, I think there is an analogy between that situation and the one now before us. In the case of the Matador Pipe Line Company's application, we said we would incorporate the company, to enable it to go before the National Energy Board and there submit its application and have it tested, if necessary, by any opponent to the project.

It seems to me that we are now being asked to qualify two companies so that they can go before the Board of Transport Commissioners for an order to enable them, under certain terms and conditions, to use facilities now owned by the Quebec North Shore and Labrador Railway, which are subject to the jurisdiction, as I understand it, of the Board of Transport Commissioners.

While I have said we have no facilities in our committees to deal with projects of this kind and to decide whether such a project is a valid one, I think we like to know as much as possible about the value of the project. Therefore, I would suggest to the honourable senator from Hanover that this idea be brought to the attention of the sponsors of the bill, so that we shall be given as full information as is available on the project. That is one branch of my remarks.

The other branch of my remarks is perhaps of little consequence. I asked the honourable senator a moment ago whether he knew anything about the derivation of the word "Arnaud". Everybody who talks about the iron ore development in Labrador and eastern Quebec associates the work being done there with the Iron Ore Company of Canada. It seems to me that the names "Iron Ore Company" and "Arnaud Company" have a similar ring. I am wondering whether there is likely to be any confusion arise out of the use of the name "Arnaud".

I simply draw that matter to the attention of the Senate to be considered when the bill is in committee.

Hon. Mr. Brunt: There is quite a difference in the spelling.

Hon. Mr. Connolly (Ottawa West): There is no question about similar spelling. One is spelled A-r-n-a-u-d and the other is I-r-o-n O-r-e, but when you pronounce them they are not so dissimilar.

Hon. Gordon B. Isnor: Honourable senators, before this bill is given second reading, may I say that I was impressed by the wording of clause 2, and I wonder why it is in the bill at all. As I understand it, the object is to ship ore largely, or almost wholly, for the benefit of two provinces and the St. Lawrence Seaway.

Hon. Mr. Brunt: Is that not for the benefit of Canada?

Hon. Mr. Isnor: That is what I am wondering about. Will you be good enough to enlarge on that point? You put your finger right on it when you mentioned the St. Lawrence Seaway. The clause reads:

> The railway works and undertakings of the companies are declared to be works for the general advantage of Canada.

I repeat what I have said so often in this chamber, that this is just one more big undertaking for the benefit of one section of the country. I do not believe that clause 2 is required in the bill at all.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Transport and Communications.

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-243, for the relief of Richard Austin Evans.

Bill SD-244, for the relief of Marion Mary Treen Frosst.

Bill SD-245, for the relief of Joyce Mary Whiteman Rogers.

Bill SD-246, for the relief of Vera Arlene Perry Locke.

Bill SD-247, for the relief of Beatriki Bourboulis Angelidis.

Bill SD-248, for the relief of Jessie Margaret Cross Joly.

Bill SD-249, for the relief of Guy Labrosse.

Bill SD-250, for the relief of Joyce Agnes Catherine Wilkinson Greenwood.

Bill SD-251, for the relief of Jacques Cormier.

Bill SD-252, for the relief of Mary Lorraine Little Copping.

Bill SD-253, for the relief of Sylvia Trachimovsky Fox.

Bill SD-254, for the relief of Kathleen Shannon Keene.

Bill SD-255, for the relief of Jean Elizabeth MacCuaig Vinters.

Bill SD-256, for the relief of Lucy Sekora Budnik.

Bill SD-257, for the relief of Joyce Middlehurst Walker.

Bill SD-258, for the relief of Patricia Shirley Rydberg Menzies.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 286 to 294, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

INTERNAL ECONOMY

FOURTH REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fourth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. William R. Brunt, Chairman of the committee, moved adoption of the report.

He said: Honourable senators, I wish to refer briefly to the service of Mr. William D. Foran, Chief of the Senate Protective Staff, who is the subject of the recommendation in this report.

Mr. Foran was first appointed to the Senate Protective Staff on December 20, 1920. Prior to this date he had been a member of the old Dominion Police Force, which was absorbed by the Royal Canadian Mounted Police. During the First Great War he joined the Canadian Armed Forces and served for five years overseas with the Canadian Army Service Corps and the Canadian Army Medical Corps. During that war he won the Distinguished Conduct Medal.

Mr. Foran was made a Sergeant of the Senate Protective Staff on April 11, 1946, and Chief of the Senate Protective Staff on June 11, 1948. His combined service with the former Dominion Police Force and the Senate Protective Staff is nearly forty-eight years. During his nearly forty years on the Senate Protective Staff he has rendered good and faithful service. Last October he suffered a serious illness, from which he has not fully recovered. He is in his seventieth year.

The recommendation of the committee is that Mr. Foran be granted a superannuation under the provisions of the Public Service Superannuation Act and that he be granted, in lieu of retirement leave, the maximum gratuity payable under the provisions of that act.

Hon. W. Ross Macdonald: Honourable senators, I wish to join with the honourable senator from Hanover (Hon. Mr. Brunt) in extending to Mr. Foran the appreciation of all of us for the splendid service which he has rendered the Senate over the years. His efficiency and his courtesy at all times have been unfailing. He has, indeed, been an outstanding public servant, and I am sure we wish him much happiness in his days of retirement.

Report adopted.

The Senate adjourned until Tuesday, March 22, at 8 p.m.

APPENDIX

(*See pp. 357, 451 and 453-5*)

DIVORCE

APPEARANCES OF PRIVATE DETECTIVES BEFORE COMMITTEE

Answer to inquiry by Hon. Mr. Pouliot:

1955

Name of Detective	Number of Cases in which he appeared
Paul Santerre	4
Gerard Daigneault	84
Charles Charron	77
James Robert Widgington	50
Ernest Gordon Etheridge	89
Gerry Brault	16
Amabel Pelletier	3
Laurence Steel	26
F. J. Costello	5
Clovis Paquette	28
Irving Joseph Green	6
Thomas Herbert Laffin	2
Antcliff Frayne	1
Allen Frayne	1
Abe Golden	4
H. G. Maxham	14
Joseph Manel	4
Roger Nadeau	2
Georges Bergeron	4
Clement La Rue	2
Lucien Durocher	4
Ernest Bourdeau	4
Albert Gascon	1
Lucien Gagne	1
Giles D'Avignon	17
Lise Turgeon	4
Barney Tulin	18
Gerald Graham	5
Gabriel Demers	3
R. Lavallee	1
L. Lamarche	1
C. Guilbault	2
Jean Paul Brunelle	7
George Stevens	13
Douglas W. Rees	7
George C. Hider	6
Neil Gallagher	15
Ronald Burne	3
Howard Odell	2
Jean Maillard	1
Maurice Pichette	3
Marcel Boyer	1
Alfred Vezina	1
Philip Duford	2
Michel Tardieu	2
Paul Lemay	1
Paul Ouimet	1

1956

Name of Detective	Number of Cases in which he appeared
Ernest Gordon Etheridge	60
Abe Golden	9
Gerard Daigneault	60
Gerry Brault	44
Barney Tulin	13
Camille Mancini	11
Thomas Herbert Laffin	7
Irving Joseph Green	7
Giles D'Avignon	60
Jacques Archambault	15
Charles Charron	49
Laurence Steel	15
Herbert Cousins	4
Rene Chatelois	4
Jean Paul Brunelle	1
Julian Laurier	10
Clovis Paquette	19
John Herbert Atkins	4
John Marcel Bourget	3
Benjamin Charles Albert Proulx	1
Maurice Pichette	18
Ubald Cote	2
Albert Dick	3
Paul Smallwood	1
Douglas Rees	4
Ronald Burne	1
Charles Rousseau	1
Roger Lavallee	3
Alexis Shaliakin	1
Elcer Dolan	1
William Caduc	2
Jules Cote	1
Samuel Garelick	1
Edwin Kenner	1
Henri Menard	1
George Shannon Stevens	2
Russell Samuel Williams	1
Kal Wiseman	3
Paul Lemay	1

1957 (1st Session)

Name of Detective	Number of Cases in which he appeared
James Winager	1
Robert Worthing	1
Ernest Gordon Etheridge	77
Jerry Brault	58
Gerard Daigneault	62
Kenney Beauchemin	1
Roberto Demers	1
Abe Golden	8
Sam Garelick	19
Peter Rosen	23
Max Barr	4
Charles Charron	30
Jacques Archambault	30
Irving Green	5
Thomas H. Laffin	1
Barney Tulin	16
Kal Wiseman	11
Giles D'Avignon	24
Laurence Steele	20
Douglas Rees	19
Clovis Paquette	26
George R. Faucher	23
Alfred Vezina	4
Jean Vinet	1
Marcel Arbour	3
William Caduc	2
Aubrey K. Blizard	2
Alex. Sokoloff	5
Gerard Aubin	1
Camille Mancini	10
Sam F. Girdler	2
Donald Kennedy	10
Armand Maisonneuve	7
Russell W. Williams	2
Mortimer Oberunt	2
Albert Leblanc	1
Jean Maillard	1
Alex. Shaliakin	1
Donat Doganieri	1
Gerald Robins	6
Ralph O'Hara	2
Gabriel Lemieux	1
Juliette L'Hereault	1
Isidore Barr	6
Elcer Dolan	1
Leopold Binette	1
Edwin Kenner	1

1957 (2nd Session)

Name of Detective	Number of Cases in which he appeared
Henry Menard	1
John Descary	1
Kal Wiseman	7
Morten Soloway	2
Charles Charron	19
Theodore Grippeau	3
Henri Forest	14
Peter Rosen	18
Sam Garelick	13
Harry Brooks	2
Laurence Steele	11
Ernest Gordon Etheridge	36
Jerry Brault	29
Barney Tulin	8
Joseph Gilman	8
Benjamin Proulx	1
Ernest Thompson	1
Eugene Evans	3
Paul Dery	1
Ubald Cote	2
Patrick Mullins	1
Roger Lapierre	1
Gerard Daigneault	31
Harry Shames	4
Clovis Paquette	25
Roy Humphries	6
Paul Fortin	2
George R. Faucher	5
Joseph Gomola	1
Jean P. Brunet	1
Fred J. Costello	1
Hyman Wiseman	5
Irving Green	4
Morty Obrunt	4
Roger Brisebois	1

1958

Name of Detective	Number of Cases in which he appeared
Ernest Gordon Etheridge	50
Gerard Daigneault	45
Gerry Brault	41
Charles Charron	41
Peter Rosen	19
Sam Garelick	23
George T. Holt	2
Alfred Vezina	2
Laurence Steele	14
Jean Vinet	7
Irving Joseph Green	6
Morty Obront	5
Bryan Nelson	38
Kal Wiseman	23
Gerry Packer	2
George Roland Faucher	10
Gerard Aubin	1
James Phillips	1
Abe Golden	7
James Robert Lawrence	1
John William Russell	1
Ralph O'Hara	1
Barney Tulin	8
Gerald Graham	3
William Riddell	10
Irving Gore	1
Raymond Denis	2
Donald Kennedy	4
Joseph Gilman	5
Clovis Paquette	32
Basil Keith Frankson	1
Jean Paul Brunelle	1
Allan Telford	2
Roy Humphries	8
Pierre Massue	3
Lucien Gagne	2
Vivianne Toupin	1
Anita Rheaume	1
Jean Paul Drapeau	1
G. Forland	1
Wilfrid Clarmont	1
Hyman Wiseman	4
Gerald Olch	1
Norman Kyser	1
Richard Ernest Thompson	1
Benjamin Albert Proulx	1
Paul Fortin	1
Peter Halikas	1
Fernand Plamondon	2
Roger Fontaine	4

1959

Name of Detective	Number of cases in which he appeared
Ernest Gordon Etheridge	67
Clovis Paquette	50
Gerard Daigneault	57
Barney Tulin	8
Gerald Graham	2
Jerry Brault	56
Paul Fortier	1
George Halikas	1
Charles Charron	36
Nelson Brian	35
Peter Rosen	37
Sam Indig	19
Robert Basil	1
Laurence Steel	16
Hyman Wiseman	28
Sam Garelick	21
George Roland Faucher	10
Don Kennedy	4
Morty Oberont	4
Audrey Kenneth Blizard	2
Camille Mancini	6
Armand Maisonneuve	3
Morten Soloway	5
Abe Golden	5
Jacques Chartrand	6
Kal Wiseman	19
Gerald Olch	1
Robert Worthing	1
A. Telford	1
Robert Croft Hulme	4
George Thomas Holt	3
Alfred Vezina	5
Lise Turgeon	3
Irving Joseph Green	6
William Riddell	5
Stanley Mustill	2
Gaetan Pominville	1
Conrad Proulx	1
Reginald Ratcliff	1
Earl Donald Poirier	1
Edwin Kenner	1
Henry Menard	1
Albert Jannelle	1
Joseph H. R. Asselin	1
Pierre Massue	1
Lucien Gagne	1
Jean Vinet	3
Edmond Daneau	2
Harry Mockeridge	1
George Gauthier	1
Roy Humphries	2
Marcel Leclair	6
Laurent Belanger	1
Real Dufour	2
Eugene Breard	2
Armand Doganieri	1
Louis Marcel Lymburner	1
Kenny Beauchemin	1
Albert Beaulieu	1
Edward D. L. Hammond	1

THE SENATE

Tuesday, March 22, 1960

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

Prayers.

NATIONAL HOUSING BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-53, to amend the National Housing Act, 1954.

Bill read first time.

MOTION FOR SECOND READING—DEBATE ADJOURNED

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

Hon. John Hnatyshyn: With leave, I move that the bill be read the second time now.

Honourable senators, before explaining the bill before the house today, I would like to review briefly the significant events in the housing field in recent years, with particular reference to the year 1959. But first, a word on the background leading up to this period.

You will recall the economic situation in mid-1957, when the country was headed toward a general recession. The state of the economy, and the housing situation in particular, pointed clearly to the need for a vigorous departure in housing policy. House building was recovering only haltingly from an 18-month decline. During the third quarter of 1955 the demand for capital funds to finance the 1955-56 boom had first begun to reduce the availability of mortgage money for house building. The annual rate of housing starts in the first quarter of 1957 reached a five-year low of 86,000 units, ending a decline that had continued for nearly a year and a half.

In the second quarter of 1957, housing starts recovered to an annual rate of 118,000, prompted partly by an increase from 5½ per cent to 6 per cent in the interest rate on N.H.A.-insured mortgages authorized by the previous government early in 1957. Other long-term interest rates continued high, however, and rose somewhat during a resurgence of mortgage lending by private lenders under the act on a scale that would come close to meeting the demand for N.H.A. mortgages.

In the competition for mortgage funds among eligible applicants it was usually those in the lower income ranges who lost out, with the result that the average size of loan increased and the limited amount of money available was being used to meet the needs of fewer borrowers.

There were, then, three main elements in the housing situation that this country faced in the summer of 1957. First, a decline in the rate of economic activity in general, bringing unemployment problems and the prospect of severe unemployment in the coming winter. Second, a lower rate of housing activity than we had experienced for a number of years. Third, a very active demand for N.H.A. mortgages, which could bring about a rapid increase in house building, if funds were made available, and provide added employment opportunities for the coming winter.

This, then, was the situation when this Government took office in 1957.

One of the first moves of the federal Government was to direct Central Mortgage and Housing Corporation to extend its direct lending programs. The National Housing Act, 1954, authorized C.M.H.C. to make loans for house building on the same terms and conditions as the insured loans made by approved lenders. For this purpose, under section 22 of the National Housing Act, Parliament had authorized Government advances to C.M.H.C. of up to $250 million. By the middle of 1957 the corporation had used only about $100 million of these funds, at the direction of the previous Government. The new Government released the balance of $150 million remaining in the section 22 appropriation, beginning in September, 1957, to encourage the building of small homes.

To meet the strong demand for these small-home loans, several amendments were made to section 22 to increase the appropriation. In December 1957 the amount was raised by $150 million to $400 million; in May 1958 it was raised by $350 million to $750 million; and in March 1959 the appropriation was raised by $250 million, making it $1 billion. Honourable senators are aware that by the end of October 1959 C.M.H.C. had sufficient applications on hand to commit the balance of the section 22 appropriation, and, accordingly, it decided to stop accepting new applications. When it stopped accepting new applications, that did not mean that all the houses were completed, because there were some 82,000 houses that were being constructed during this winter. As a matter of fact, of the $1 billion that was appropriated under section 22 there is still some $200 million to be paid out. What we are dealing with now is a further appropriation aside from the $200 million that has not been paid out.

I should like to point out that direct lending during 1957 and 1958 on the part of the

Government was an important factor in the amount of house-building activity. Under the small-home loans program the corporation approved loans for 25,000 dwellings in 1957, of which 16,000 were approved in the last four months of the year. During 1958 the corporation approved loans for more than 30,000 dwellings, including a small number of rental units, thus raising the total number of units for the two years to 55,000. I should mention that, apart from the 2,500 rental units financed in 1958, all these loans were directed to prospective home owners in the lower-income groups.

In addition to the small-home loans the corporation also made loans in 1957 for 4,124 limited-dividend units, and in 1958 for 6,282 units. These loans were made to limited-dividend companies to finance construction of low-rental dwellings in areas in which conditions of shortage, over-crowding or sub-standard housing existed. The accommodation was directed toward the lower-third income level, and the projects were designed so that their capital costs would be consistent with low rents.

In passing, I will say that during each of the last three years the corporation has, at the direction of the Government, established a quota for loans to builders. The purpose of this, of course, was to stimulate employment throughout the country and to assure the widest possible distribution of the available funds.

Honourable senators, I now come to a review of 1959. It was a good year for housing, with starts at 141,000 units, the second highest on record, and with completions at more than 145,000 units, only 1,000 less than the record level of 1958. Despite the decline in housing starts, expenditures on new housing amounted to $1,758 million, only 1.3 per cent less than the $1,782 million outlay in 1958. And, as I have already mentioned, in order to help finance this program the Government brought in an amendment to section 22 of the National Housing Act, which was assented to on March 20, 1959 and increased the amount available under the act to $1 billion.

The annual figures, however, fail to reveal the progressive withdrawal of private lenders from insured lending under the act, which was subsequently compensated for by C.M.H.C. lending toward the end of the year.

The acceleration of economic activity in 1959 and the rise in personal expenditures and non-residential investment increased the demand for long-term funds. General long-term interest rates rose rapidly and steadily diminished the attractiveness of 6 per cent insured mortgages to lenders. Early in 1959 insured lending by the approved institutions was close to the 1958 rate, but it fell off as competitive interest rates rose. By the last quarter of the year the approved lenders had virtually stopped making insured loans. The banks stopped almost entirely. Altogether, the banks, life insurance companies and trust and loan companies approved insured loans in 1959 for about 25,000 units as compared with 46,000 units during the previous year.

To offset this decline in insured lending, Central Mortgage and Housing Corporation was compelled to increase its direct lending. The Government felt that a heavy direct lending program toward the end of 1959 was justified on two grounds: that it would prevent a sharp decline in housing activity and that it would maintain employment during the winter. For the year as a whole, lending by C.M.H.C. remained high, with loans approved for about 32,000 units, only slightly below the 1958 level. But the demand for C.M.H.C. direct loans in the autumn of 1959 was so great that by the end of October the corporation, having sufficient applications on hand to commit the remaining funds under section 22, stopped accepting new applications and went on with 82,000 houses that were still not completed and were being built this winter.

The final development in housing policy in 1959 was the increase in the maximum interest rate allowable on insured loans under the National Housing Act. As honourable senators know, the rate was raised last December to 6¾ per cent from 6 per cent in an effort to create a greater flow of private money into insured mortgages during the current year. I assure you, the Government was most reluctant to make this decision, as it would place additional financial burdens upon the borrower. In this instance, however, there was the choice between virtually no loans under the act from the approved lenders at 6 per cent, and a flow of loans, which we hope to get, at 6¾ per cent.

I think I could safely assume that many people would have preferred to see the Government maintain direct lending through C.M.H.C. at the high level of the two previous years. But this is not possible. The provision of public money on such a scale has important fiscal implications, since it adds to the cash requirements of Government and contributes to cash deficits. Under certain economic conditions, Government cash deficits are appropriate, as was the case in 1957 and 1958 and, to some degree, in 1959. We anticipate in 1960, however, a year of comparatively full use of the country's national economic resources, a year in which the benefits of C.M.H.C. direct loans must

be balanced against the broader fiscal difficulties that would be raised by continuing C.M.H.C. lending on the same scale as in the past two years.

The economic outlook for 1960 suggests that N.H.A. housing will merit less direct Government support than it received in 1958 and 1959. Two factors, the outlook I have just mentioned and the progressive withdrawal of the approved lenders, influenced the Government to encourage a higher rate of lending by permitting the private lenders a yield of 6¾ per cent on N.H.A. mortgages.

The present indications are that the approved lenders have started to resume activity, but it is by no means certain that they will maintain the same level as they did in 1959, when they financed some 25,000 units. We can expect an increase in the participation of the life insurance, trust and loan companies, which during 1959 approved loans for 11,000 units. The position of the banks, however, is uncertain. During 1959 they approved loans for 14,000 units, but they virtually stopped lending in the latter months of the year.

Honourable senators, the resolution before us has two purposes, the main one being to increase the appropriation available under section 22. I have already explained that this appropriation sets the limit on the amount that the Government may lend to C.M.H.C. to carry out its lending programs. And I have mentioned that the appropriation has been raised in three stages from $250 million to $1 billion, which was totally committed by the end of October 1959. The proposed bill would increase the appropriation by $500 million to $1.5 billion so that C.M.H.C. can continue its mortgage lending for some time.

I must point out that the additional $500 million is intended to last beyond the current year. Loans by the corporation totalled in excess of $343 million during 1959. This year the Government would like to cut this amount substantially, perhaps by as much as one-half. The reduction in C.M.H.C. lending will present some difficulties, since the demand for N.H.A. funds in 1960 is likely to be high, even at the 6¾ per cent interest rate.

Merely to withhold loans from builders and to continue with limitations on the size of dwellings built with C.M.H.C. loans may be insufficient to keep the volume of C.M.H.C. lending within acceptable limits. It will probably be necessary for the corporation to employ a more restrictive allocation technique. But I feel I must emphasize that there is no readiness on the part of the Government to continue mortgage lending at the same high levels of the past two years.

The second part of the amendment deals with section 13 of the act. The present position is that a limit of $4 billion is imposed on the amount of mortgages that C.M.H.C. may insure. This figure bears no relationship to the amount of mortgage loans the corporation may make; rather it relates to the amount of mortgage debt that it may insure. In all probability lenders will ask the corporation to go beyond the $4 billion limit during the current year, and this amendment seeks to increase the authority to $6 billion.

Honourable senators, this ends my review of housing in recent years and my remarks on the amendments before us.

I would like to discuss briefly the broader view of the Government's housing policy.

The main housing objective of the Government is to maintain an annual average rate of new building higher than the rate necessary to keep up with the growth of Canada. Our economists suggest that we require about 125,000 new dwellings each year to meet the needs arising out of family formation, immigration, replacements for lost dwellings, and other factors. During the past three years the total number of starts has averaged 143,000 —far more than enough to meet the basic needs alone.

To obtain improvements in the national housing stock, we must build houses faster than the need for them grows—and then keep them in good condition. Some years it may be difficult to maintain a rate of building that, if continued, would be considered adequate over the long term, but we can compensate for these periods in other years and maintain a satisfactory average rate over the long pull.

During much of the past ten years the demand for N.H.A. mortgage money has been far in excess of the supply. This Government has devoted public funds to N.H.A. mortgage lending in all parts of the country. In fact, since September 1957, C.M.H.C. has committed close to $900 million in mortgage loans. Sometimes broader fiscal considerations have required a moderation of direct mortgage lending, and at such times the Government, as it did recently, has prompted a greater flow of mortgage funds under the act by charging a higher interest rate.

In providing public funds for mortgages, a basic tenet has been to direct the assistance to the lower-income ranges of eligible N.H.A. borrowers. These groups will always receive the greatest concern on the part of the Government. Our concern has been proved by the establishment of the small-home loans program, lower down payments and higher loans, all of which I mentioned earlier.

While I am on the subject of housing for lower-income families, I feel it appropriate

to mention the urban redevelopment and public housing programs that this Government has supported since 1957.

First, in the field of urban redevelopment, there has been a considerable increase in activity in recent years. In 1959 alone, federal grants were approved to assist ten municipalities in conducting urban renewal studies, which usually precede urban redevelopment projects. In the same year, three cities obtained grants toward the cost of the redevelopment of blighted areas. In these three projects the Government has undertaken to give financial assistance under section 23 of the act to the extent of 50 per cent of the cost of acquisition and clearance.

In addition to this, the federal Government in conjunction with the provinces and the municipalities, has entered into construction of low-rental housing units under section 36 of the National Housing Act. Some 3,600 of these units have been given final approval or are at present under construction. Preliminary investigations are under way in connection with another 2,200 units.

The federal Government has also cooperated with private enterprise in the provision of low-rental units for families of modest income under the limited-dividend section of the act. This activity has increased spectacularly in the last three years. I have already mentioned that in 1957 and 1958 the corporations made loans for more than 10,000 limited-dividend units. In 1959 loans were made for more than 4,500 units. These loans were made to companies who were willing to limit their dividends to up to 5 per cent of their paid-up share capital. I should add that many of these units—1,316 in 1957, 1,212 in 1958 and 970 in 1959—were designed specifically for elderly persons and they were sponsored by various organizations which did not seek to make a profit at all.

In conclusion, honourable senators, may I say that I am proud to support this bill, which will enable Central Mortgage and Housing Corporation to help Canadian families finance homes they might not otherwise be able to afford.

I know that a number of senators will wish to take part in this discussion. After the debate is finished I will, with the approval of the house, move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Vaillancourt: Will the honourable senator permit a question: He mentioned the rate of interest as being 6¾ per cent. Does that rate include insurance on the life of the purchaser?

Hon. Mr. Hnatyshyn: That includes mortgage insurance.

Hon. Mr. Vaillancourt: And the rate is 6¾ per cent?

Hon. Mr. Hnatyshyn: Yes, that includes mortgage insurance.

Hon. Mr. Vaillancourt: Does it include life insurance on the purchaser?

Hon. Mr. Hnatyshyn: It does not include that.

Hon. Mr. Wall: I wonder if the honourable senator would give us a little more information. Out of the 145,000 completions in 1959 he said that 4,500 units were completed under the limited-dividend provisions of the act, is that correct?

Hon. Mr. Hnatyshyn: That is correct.

Hon. Mr. Wall: I would also ask how many of these 145,000 units are small homes, what is the average cost of these homes, and what is the average income of the buyers? That would be one question.

My second question is: What is the sum total of loans that are now insured by Central Mortgage and Housing Corporation?

Hon. Mr. Hnatyshyn: I am not sure that I have that information with me, but I can get it. The act as it now stands permits insurance up to a ceiling of $4 billion, but this total amount has no relation to the amount lent.

My understanding is that there is provision that houses may be built for a minimum of $5,000 and there may be some built at that price, but I have not that information. The average cost of a house today will be between $12,000 and $14,000. The present appropriation of an extra $500 million is primarily to help people whose incomes are under $5,000 a year, because it is felt that those whose incomes are higher than that should go to approved lenders and they will be able to get a loan from approved lenders.

As a matter of fact, I would like to point out that the raising of interest rates has induced private lenders to start lending money. Starts in January and February of 1959 amounted to 8,856, whereas this year, although they were extremely low in January, in the following two months they have totalled 8,525, all of which is a clear indication that there are many private lenders outside of banks. It is a question whether banks will be allowed to lend at 6¾ per cent on housing loans, if they are not allowed to do so on commercial loans. Banks are not permitted to charge more than 6 per cent interest, and I do not think there is any possibility of a change being made now which would allow them to increase this rate. So we must count the banks out of this, and leave it to the other lending institutions, such

as trust companies, insurance companies and others which have been lenders for this purpose before. It appears from the figures I have just given that these other lenders are going into the field.

Hon. Mr. Reid: Would the honourable senator permit a question: Has he any information as to the number of houses in the various provinces that have remained unsold? I am interested in the province of British Columbia, and I may say that in my own district there are some 300 houses that cannot be sold.

Hon. Mr. Hnatyshyn: I gave the figure as 141,145 starts, and British Columbia started 16,691.

Hon. Mr. Reid: How many were sold last year?

Hon. Mr. Hnatyshyn: I have not got that figure.

Hon. Mr. Brunt: Did the honourable senator not say there were some 300 houses unsold in his district?

Hon. Mr. Reid: Yes, that was for one district alone. I have the totals of the houses that have not been sold in every district.

I have another question. Did the National Housing Act come into force only in 1957?

Hon. Mr. Hnatyshyn: No. I have already said that it commenced in 1954. At first the sum of $250 million was appropriated, but up to the time the present Government came in only $100 million had been used.

Hon. Mr. Brunt: The act says 1954, and it is so stated in the bill.

Hon. Mr. Hnatyshyn: It says so in the bill, and I am sure I mentioned it in my remarks. The fact remains that this Government has spent, as I said, $900 million, as compared to $100 million spent between 1954 and the mid-summer of 1957.

Hon. Mr. Wall: Honourable senators, may I ask a question which the honourable senator may not have the information to answer at the moment? He stated that $343 million was committed by Central Mortgage and Housing Corporation for direct loans for building. I wonder if when the bill is considered in committee we could get the breakdown of the $343 million, as to how much of it went into limited-dividend housing, how much into urban redevelopment, and how much went into community studies and such matters dealing with housing.

Hon. Mr. Hnatyshyn: That information is certainly available.

Hon. W. Ross Macdonald: Honourable senators, we have had an excellent presentation of this legislation from the honourable senator from Saskatoon (Hon. Mr. Hnatyshyn), who has told us something of the history of the act and has given a forecast of what we are to expect in the immediate future. In fact, he has left out very little. He has lauded the Government for the huge amount of money it has put into housing, and he takes great satisfaction from the fact that these many millions of dollars have been spent for that purpose. I am not criticizing him for what he has said, but he will observe from some figures which I shall give later that the figures in respect to building for a certain class of our population are not as laudatory, so far as the present Government is concerned, as are the figures which he gave.

The honourable senator from Saskatoon mentioned that the National Housing Act came into effect in 1954, but he mentioned it in a rather offhand manner, so much so that the honourable senator from New Westminster (Hon. Mr. Reid) brought the matter to his attention.

Hon. Mr. Reid: That is why I asked the question.

Hon. Mr. Macdonald: Of course, we all know what administration was in power in 1954, and we realize that the bill now before us is just carrying on the very excellent legislation which was presented to Parliament by the former administration. And may I remind my honourable friend and the house that at the time the former administration introduced this legislation the interest rate on housing loans was not 6¾ per cent, but 5½ per cent.

Hon. Mr. Hnatyshyn: And it was increased to 6 per cent.

Hon. Mr. Macdonald: But since that time, in 1955, the interest rate was reduced to 5¼ per cent. So the honourable senator can take some satisfaction from the fact that the amount of the loans has increased, but he should also realize that at the same time the interest rate on the loans is at an all-time high.

Honourable senators, I do not rise for the purpose of criticizing this legislation unduly. In fact, so far as I am personally concerned I am in favour of it, but I am not in favour of the regulations under which it is to be administered.

The honourable senator from Saskatoon stated that at the present time Central Mortgage and Housing Corporation can loan a maximum amount of $1 billion, and that under this bill that amount is to be increased by $500 million. So from this time forward

Central Mortgage and Housing Corporation will be able to loan a sum not in excess of $1,500 million.

The honourable senator from Saskatoon said—and it was emphasized in the other house, though I need not refer to what took place there—that priorities will be given to citizens seeking loans who are in receipt of an annual income of not more than $5,000. As a matter of fact, the Government has stated that for the present, in any event, no loan will be given to any person who has an annual income of more than $5,000. So honourable senators will note that the consideration for making a housing loan, and I may say the only consideration, is the number of dollars which the applicant is making annually. No consideration is given to the question of need, nor to whether the applicant has one child or seven or eight children. The only question asked is: "Are you making no more than $5,000 a year?" If the answer is, "I am making no more than $5,000 a year", the application is accepted. You may say $5,000 a year is a medium income. Probably it is. But I say there should be some other considerations.

If, for instance, the applicant is a husband who is making $5,000, and his wife is employed and has an income of $2,400, those amounts are not added together to make the income of the applicant $7,400. He is still regarded as being in the $5,000 class. But, on the other hand, if an applicant with a wife and three or four children, with an annual income of $5,500, makes application, he is not considered. Or, if a married man with no children applies to the corporation for a loan, he gets it, provided he is not making more than $5,000; but if a man who has four or five children, and is unable to find a home with enough bedrooms in which those children can sleep, is making $6,000 and applies for a loan, he is told that he cannot get it because his annual income is too high.

Honourable senators, I ask you: does that not discourage people from having large families? Some honourable senators laugh. I am putting a very serious question to the house, and I hope I put it in such a way that the Government will see fit to change the regulations so that a man with a medium-sized family, and whose income may exceed $5,000, will have a chance of building a home. If a man and a woman have four children, how many bedrooms do they need in their house? Let us say they have two boys and two girls. In that case they can get along with three bedrooms, because two of the girls can sleep in one bedroom, and the two boys can sleep in another bedroom, and the father and mother can sleep in the third bedroom. But when there are three girls, and one boy, or three boys and one girl, it is not very long before there is a problem in that home.

Honourable senators, at the present time the Government is not encouraging—in fact, it is discouraging—the building of houses with four bedrooms. You would be amazed to hear how few four-bedroom houses have been built. I say that this is becoming very serious to people who want to raise a family. They are beginning to think they are living in a country where there is almost a form of birth control. They have to house their children, and they have to have bedrooms in which the children can sleep. I am told that today in many homes where there are five and six children, and where there are only three bedrooms, the children are sleeping practically all over the house. Is that encouraging good Canadian families to be large? I say it is most discouraging. These people—the people who want to have large families—are now the forgotten people in Canada.

I have here some figures to which I referred a minute ago and which are not so laudatory of the efforts of Canadians to provide housing for their families. These figures have been given to me by Central Mortgage and Housing Corporation, and with permission of honourable members I will place them on *Hansard*. I am going to deal only with the four-bedroom houses. In 1958 there were built in Canada by Central Mortgage and Housing Corporation and approved lending organizations 74,609 houses.

(For table see p. 381.)

Hon. Mr. Beaubien: That is four-bedroom houses?

Hon. Mr. Macdonald: That is the total of all types of houses. My friend will be surprised when I tell him the total of the four-bedroom houses.

Hon. Mr. Brunt: This is for the year 1958?

Hon. Mr. Macdonald: Yes, in 1958 there were 74,609 houses built by Central Mortgage and Housing Corporation and approved lending organizations, and of those only 4,249 were four-bedroom houses—4,249 out of 74,609.

Honourable senators, where is a person with a medium-sized family going to live? Where is he going to find a home?

Let me give you the figures for 1959. As the honourable senator from Saskatoon has stated, not as many houses were built during that year with loans from the corporation and approved lending organizations. However, there were built that year 60,839 houses, but of those only 4,631 had four bedrooms.

Honourable senators, the problem is what are we going to do with our large families?

DWELLINGS APPROVED UNDER THE N.H.A., 1958-1959 BY TYPE OF DWELLING AND NUMBER OF BEDROOMS

(Dwelling Units)

No. of Bedrooms	1958						1959					
	1 Family Dwelling			Multiple Family Dwellings			1 Family Dwelling			Multiple Family Dwellings		
	Approved Lender	Corporation	Total	Approved Lender	Corporation	Total	Approved Lender	Corporation	Total	Approved Lender	Corporation	Total
0(1)	—	—	—	174	501	675	—	—	—	159	227	386
1	19	26	45	3,433	3,051	6,484	1	4	5	1,630	1,669	3,299
2	1,616	1,655	3,281	3,923	4,154	8,077	756	1,533	2,289	1,443	1,856	3,299
3	33,959	23,853	57,812	915	2,923	3,838	20,053	23,879	43,932	697	2,091	2,788
4	2,121	1,869	3,990	25	234	259	1,792	2,708	4,500	17	114	131
5	66	15	81	—	—	—	111	51	162	—	2	2
Not specified	55	12	67	—	—	—	27	19	46	—	—	—
TOTAL	37,836	27,440	65,276	8,470	10,863	19,333	22,740	28,194	50,934	3,946	5,959	9,905

(1) Bachelor Apartments.

Are we going to do nothing? Are we going to discourage our Canadian people from having large families? This is one of the most serious problems with which the Government is faced, and it is doing nothing about it.

Hon. Mr. Brunt: Would the honourable senator permit a question?

Hon. Mr. Macdonald: Certainly.

Hon. Mr. Brunt: I wonder if he has the figures for 1954, 1955, 1956 and 1957 with respect to four-bedroom houses.

Hon. Mr. Macdonald: The honourable senator is now going back to the past. What has been done is done.

Hon. Mr. Brunt: Let us have the entire picture since the passing of the National Housing Act.

Hon. Mr. Macdonald: What has been done is done. I am not so critical of what has been done. In my opening remarks I said that I hoped what I had to say would have some influence on the Government, to induce it to face up to this problem, and face up to it now. What is the use of living in the past and saying: "They didn't do it; why should we?"

Hon. Mr. Brunt: I just wanted the record complete.

Hon. Mr. Macdonald: Think of that—a Government which claims it has vision saying: "They didn't do it; why should we?" I am saying to the Government in all seriousness that I hope it will do something about this. It may be that it has not realized—

Hon. Mr. Horner: I have known instances where a man with one child was more concerned about housing than a man with a large family. In my own family we had six boys, but there was only one bedroom in the house, and the boys were quite comfortable in that one bedroom.

Hon. Mr. Macdonald: That may have been so. I happen to know two of the boys who are in Parliament today, and they are very fine boys, indeed, but I might point out to the honourable senator from Blaine Lake (Hon. Mr. Horner) that he might have been —no, I will not say "less fortunate", but if he had had three girls and three boys he might have found more difficulty in getting along with one bedroom. Also, if he had had a small house—a house of the type which is being built today—he would have found it very difficult to get along. I do not think there is any senator here who does not think it is a very serious problem. I feel sure that every honourable senator realizes this is a problem, and that it is the Government's problem, because it is the Government which is in power. The Government must face up to it.

My friends on the other side are always asking me to make suggestions, and I am never loath to do so. I would suggest to the Government that the annual income of $5,000 should not be the only criterion, or the only yardstick, by which loans are granted. It should be more flexible, and something more than the annual income of $5,000 should be considered. Let them take into consideration the size of the family.

Hon. Mr. Horner: May I ask this: Has not that question of salary been the first consideration since this act was passed?

Hon. Mr. Macdonald: I will say to the honourable senator from Blaine Lake that if it has been, it is time the practice was changed, and I hope he will do his part to get it changed.

I will go further and say that there should be an incentive to people with large families to build homes with at least four bedrooms, and I would suggest that the incentive for such people should be a reduction in the rate of interest on their mortgages. Yes, I say a reduction. Give some consideration to the man and wife who are prepared to have a large family. Help them. Do something for them. We have made it difficult enough for them to get a home. Now we should go the other way and give them some help.

Hon. Mr. Brunt: Would the honourable Leader of the Opposition (Hon. Mr. Macdonald) permit me to interrupt to ask a question?

Hon. Mr. Macdonald: Certainly.

Hon. Mr. Brunt: I want to be clear on one point. Is the honourable leader advocating that the rate of interest charged on mortgages which are placed on four-bedroom homes be less than that on mortgages placed on three-bedroom, two-bedroom and one-bedroom homes? For instance, the standard rate, as we all know, is 6¾ per cent today. Is the honourable leader advocating that on a four-bedroom house the rate of interest should be less than 6¾ per cent?

Hon. Mr. Macdonald: I will go that far. I will ask the Government to give consideration to that proposal. We are faced with a problem of having too many houses with only three bedrooms. The Government must do something to encourage a man and his wife to have a good-sized family. We should help him to get a home that is suitable for his requirements and it would not hurt any of us if the interest on the loan on such a

house was a little lower than the interest charged on houses with three bedrooms or less.

Hon. Mr. Roebuck: Has the honourable leader considered the situation of a man who has a small family but would like to take care of his aged mother and father?

Hon. Mr. Macdonald: That problem is very closely related to the one which I have mentioned. I have talked of married couples with six children. Of course, the problem becomes even more intense if a couple has four children and must support an aged mother or father as well. That family requires one more bedroom.

I am not going to blame the Government too much for the present situation of which I speak, but we as Canadians are not facing up to the problem. We claim that we have the second highest standard of living in the world, yet a man and his wife with five or six children cannot find a home in which to live.

Hon. Mr. Brunt: Surely they can live in a three-bedroom home.

Hon. Mr. Macdonald: My honourable friend from Hanover (Hon. Mr. Brunt) says that a man and his wife and their five or six children can surely live in a three-bedroom house?

Hon. Mr. Brunt: Yes.

Hon. Mr. Macdonald: Well, I don't know how long my honourable friend wants our standard of living to be rated the second highest in the world, but I doubt very much that a father and mother and six or seven children can live in a three-bedroom house. This is a problem with which many families are faced, but if the Government does not think it is a problem then let the Government forget what I have said. I know there are thousands of couples throughout Canada today who have not got homes in which they can properly house their children. If the Government does not think this is its problem, then I say to these people "Unfortunately, it is your problem." I have brought this great problem to the attention of the Government and I do hope the Government will at least give some consideration to it.

Hon. John T. Haig: Honourable senators, I wish to say a word or two about the building business, for I happen to know something about it, having been actively engaged in the building of houses in the city of Winnipeg after World War I, from 1921 until 1929. I would say that of all the houses we built, 90 per cent of them had only three bedrooms. We never had any trouble selling three-bedroom houses, but the minute we built four-bedroom houses trouble started. The real estate man would ask, "How many bedrooms do you want, four?" The prospective buyer would say: "That's just a little too large. I'd like a three-bedroom house."

If you examine the building records for the past ten years in Toronto or Montreal or any other Canadian community you will find that the great majority of the building permits have been for three-bedroom houses. When this bill is in committee the President of the Central Mortgage and Housing Corporation should be asked how many four-bedroom and three-bedroom houses have been built in Canada during each of the last ten years. I am sure the answer would be surprising. While it may not be difficult to heat a four-bedroom house in the warmer parts of Canada, such as in southern Ontario, it is a problem in the colder communities. A four-bedroom house requires greater care and upkeep. I can speak from experience. I think the honourable Leader of the Opposition (Hon. Mr. Macdonald) said that he had quite a few children. Well, I had six myself. They are all living yet. Better than that, I have fifteen grandchildren. I never heard one of my children complain to me that they could only get a two-, three- or four-bedroom house. I never had any say in what they bought. They bought to suit themselves. The honourable Leader of the Opposition is wrong. It is not the responsibility of the Government to provide four-bedroom houses. The responsibility of the Government is to see that houses are built and that a man and his wife can afford to pay for them. The whole problem is not one of construction but one of getting houses paid for after they have been built. Our cost of living is going up. Houses of the type that cost $13,000 or $14,000 today were built in my time for $7,000 or $8,000. The house I am living in today was built for $7,000 for a man and his family and we made a profit of $500 net cash from it. Today when that house is valued by the Government for estate or succession duty purposes, they place the value at $16,000.

Hon. Mr. Power: Shame!

Hon. Mr. Haig: And the house is twenty years older. I had a battle royal before I could get them to put the value of one such house down to $15,000. One of my boys had a house built in Winnipeg which he bought for $4,000. He sold it this summer for $15,500.

Hon. Mr. Brunt: The income tax people will look after him.

Hon. Mr. Haig: The interesting thing about it is that it was only a three-bedroom house.

The problem is not one of how many bedrooms, but of the house itself. What we want is to make a house as useful as possible, remembering all the time that if the house comes back on our hands we can sell it again. I am not a bit afraid that the houses will not sell or of their not being occupied. The first problem is what will happen if there is a slackening off. The honourable Minister of Trade and Commerce says there will not be a slackening off, but the Governor of the Bank of Canada indicates there may be a slowing down. Nobody can possibly know. The Government is right in trying to have houses built as economically as possible, provided such houses answer the needs of the people.

My honourable friend says that the people need four-bedroom houses. I would like to know how many fathers in this chamber have four children. I am sure there are a good many who have not.

Hon. Mr. Beaubien: They are too old.

Hon. Mr. Haig: My honourable friend the Leader of the Opposition has not that many children.

Hon. Mr. Macdonald: I have more than that many grandchildren, and they all live in four-bedroom houses.

Hon. Mr. Brunt: They are very fortunate.

Hon. Mr. Haig: The Leader of the Opposition must be rich.

Hon. Mr. Macdonald: I am only rich in that I have my eight grandchildren.

Hon. Mr. Haig: I have six children to take care of, and I have 15 grandchildren to remember and love.

Hon. Mr. Macdonald: Your average is not as good as mine.

Hon. Mr. Haig: I would be satisfied if four-bedroom houses were built, but as a businessman I would build three-bedroom houses if I wanted to sell them. I learned about all this from a good practical builder some years ago. Like my honourable friend, at that time I shouted often for four-bedroom houses, but this builder said: "Nothing doing, Jack. Those houses could come back on our hands, and if we build three-bedroom houses we can sell them again. Also they do not cost so much to build."

Honourable senators, this matter can be settled quite easily if my honourable friend will ask the head of the corporation to come and tell us what his record shows for each year. You will be surprised at the record.

Hon. Mr. Macdonald: You won't be proud of it.

Hon. Mr. Haig: My friend will find that when his Government was in power three-bedroom houses were built, just as now. I would have done the same thing, knowing that I had to protect the taxpayers of this country. The honourable gentleman is the first to say that the Government is spending too much money. It is spending money to help people out. I am not complaining. However, this money must come back to our people, it must be recovered, and it should be put into houses we can sell again. You would be surprised how many four-bedroom houses are passed up, and how many people pick the three-bedroom houses because they are cheaper.

Honourable senators, for these reasons I support the bill, and I hope that if it goes to committee we can get answers to all the questions my honourable friend asked. If he will ask the manager of the housing corporation to come I know that he will get a very able presentation of the whole case on behalf of not only the Government but of himself. The present manager came before our Finance Committee last year. He is the best man I know of in Canada to answer the questions which should be asked of him.

Hon. Cyrille Vaillancourt: Honourable senators, I wish to say only a few words. I am not against the bill, I am for it.

Hon. Mr. Brunt: Hear hear.

Hon. Mr. Vaillancourt: But with some explanation. I agree with my leader (Hon. Mr. Macdonald). However, I disagree with the honourable senior senator from Winnipeg (Hon. Mr. Haig) when he said the only object is to furnish money to build houses. That is not so. We are building up a system of social security in this country, and if we want to increase that social security it will be necessary to provide a good house for each family. The experience I have had with social organizations in my constituency is that when we have packed five or six children into two rooms we have increased delinquency and the number of criminals. Not all children have the advantages of parenthood that my colleague from Winnipeg has. He can have control of his children, because they have enough rooms to live in, but when 80 per cent of our families have five or six children living in two rooms, that is a condition that is absolutely terrible socially. My honourable friend from Blaine Lake (Hon. Mr. Horner) says that in his family six children were packed in the same room. Well, I am the youngest of fifteen children.

Hon. Mr. Brunt: How many bedrooms?

Hon. Mr. Vaillancourt: Eight. It would probably have been very bad for me if we had had to be packed in two bedrooms.

I want to say a few words on only one point. In the past twenty years our *caisses populaires* in Quebec have borrowed from our neighbours more than $1 billion in loans. Now we have $271 million out in loans on mortgage, and the average loan is $4,000. The first thing that is asked of the borrower is why he wants to have a house. First, we investigate his morals. Secondly, we ask him, "Have you any children?" If the family consists of only a father, mother and a dog, we say it is unnecessary to loan the money. The total amount loaned last year was $83 million. In 1958 it was $77 million. I am afraid the demands upon us this year will be too heavy, because the banks are now not lending for housing construction. They cannot charge more than six per cent interest, and the loans for housing are at 6¾ per cent interest. The interest charged by our *caisses populaires* in Quebec varies from 5 per cent to 6 per cent, plus life insurance on mortgage. For what reason? Because we want to protect the family. The family is the foundation of the nation.

If we cannot organize our social security better than we have done in the past we shall have failed in our destiny. It is to prevent this that we have developed our *caisses populaires*. Our people are not receiving salaries of $5,000 a year; the average annual salary is between $3,000 and $3,500. We have co-operative organizations to build houses, and they have managed to reduce the average cost from $15,000 to $10,000 or $11,000. That is a big reduction. We want the Government to help the co-operative movement throughout all Canada, and in this way to help our families. If we have a policy of that kind, we will be proud of Canada in the future.

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

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Restrictive Trade Practices Commission concerning alleged attempts at Resale Price Maintenance in the Distribution and Sale of Gasoline in the Toronto Area, pursuant to sections 18 and 19 of the Combines Investigation Act, Chapter 314, R.S. 1952. (English text).

Canada and the United Nations, 1958—Conference Series 1959—issued by the Department of External Affairs. (English and French texts).

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-259, for the relief of Real Blier.

Bill SD-260, for the relief of Viola Elsie Ann Johnson Anderson.

Bill SD-261, for the relief of Margis Wellisch Ruszugar Hancz.

Bill SD-262, for the relief of Janina Lukaszewicz Soloducha.

Bill SD-263, for the relief of Arthur Woodbridge Dale.

Bill SD-264, for the relief of Maria Jacoba Arens Mannens.

Bill SD-265, for the relief of Gerard Henri Turgeon.

Bill SD-266, for the relief of Nancy Jane Wyllie Wood Aylwin.

Bill SD-267, for the relief of Yves Brodeur.

Bill SD-268, for the relief of James Joseph Sceviour.

Bill SD-269, for the relief of Leon Zygowski.

Bill SD-270, for the relief of Neeltje Doruijter Van der Spoel.

Bill SD-271, for the relief of Paul L'Heureux.

Bill SD-272, for the relief of Joseph Daniel Bernardin Daigle.

Bill SD-273, for the relief of Giovanna Intini Mancuso. (Annulment).

Bill SD-274, for the relief of Eileen Williams Gushue.

Bill SD-275, for the relief of Jean Eleanor Jackson Connell.

Bill SD-276, for the relief of George Henry Basil.

Bill SD-277, for the relief of Eileen Kathleen Astley Craig.

Bill SD-278, for the relief of Edith Tobat Heinemann.

Bill SD-279, for the relief of Davis Zave Garmaise.

Bill SD-280, for the relief of Marie Frederique Raphaelle Mireille Fortier Kingsbury.

Bill SD-281, for the relief of Franko (Franz) Stapinskyj.

Bill SD-282, for the relief of Eva Facey Lund.

Bills read first time.

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

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

Motion agreed to.

IMMIGRATION

MOTION TO DIRECT COMMITTEE TO REVIEW DEPARTMENT'S ANNUAL REPORT—DEBATE ADJOURNED

Hon. William M. Wall moved, pursuant to notice:

That the Standing Committee on Immigration and Labour be authorized and directed to review the Annual Report of the Department of Citizenship and Immigration, excluding that portion of the Report which deals with the Indian Affairs Branch; and

That the said committee have power to send for persons, papers and records.

He said: Honourable senators, I make no apologies for suggesting this study, and I make this motion in good faith and for reasons which I shall explain to you briefly and, I hope, satisfactorily.

May I remind my honourable colleagues that I gave notice of my intention to move this motion prior to the interesting and significant discussion which has since taken place in this house concerning the suggestion of the honourable Leader of the Opposition (Hon. Mr. Macdonald) for a manpower study. You will recall that the honourable Leader of the Opposition suggested that the Senate undertake a study of the serious national problem involving more effective utilization in useful and continued employment of our available human resources, and that several honourable senators spoke in support of this idea. I recognize the importance of a manpower study, perhaps by a special select committee, and I would gladly support a motion to get this kind of study under way.

I recognize also that it would not be desirable to have too many committees studying too many problem areas at any given session, and quite frankly I have been waiting for a rather simple decision to be made, for I was given to understand that the manpower study suggestion was under advisement.

Hon. Mr. Brunt: It is.

Hon. Mr. Wall: I had even felt that perhaps I should withdraw my motion, if there was some assurance of intent or commitment to go ahead with this manpower study and if there were additional assurances that the terms of reference for this study would be broad and flexible enough to include some consideration of our present immigration policy, together with its administrative practices and procedures.

I make this last comment simply because the general problem areas of immigration and emigration are important facets or factors in the more effective utilization of our potential human resources, and mixed up somewhere in all this are our citizenship policies and practices.

However, honourable senators, I do not know what further and specific action is likely to be taken to meet this suggestion for a manpower study, and because of this lack of apparent indication or clarification of intent I feel that I should proceed now with the formal explanation of my motion and the reasons which prompt me to present it to you.

Furthermore, I believe that my motion to refer the annual report of the Department of Citizenship and Immigration to the Standing Committee on Immigration and Labour merits our attention and support, even if the manpower study were to be organized.

Although these studies would to some extent be complementary and supplementary, they are certainly not exclusive or antagonistic in nature, and their findings likewise would be complementary and supplementary. Certainly a study directed specifically to immigration and citizenship would give these matters more thorough attention than might be possible in a general manpower study.

If it is felt by honourable senators that benefits would come from both studies, if both are to be organized, then I believe honestly and sincerely that this house can find the time and can find the personnel needed to undertake them.

I have previously expressed to honourable senators my basic belief that through the instrumentality of its standing or special committees, the Senate could perform a very worth-while and useful public service by conducting fact-finding reviews or studies into areas of wide public interest and national concern. Many honourable senators have explained repeatedly that the members of this honourable house are well equipped to undertake this type of impartial study, and I personally believe that we should plan to make several such fact-finding reviews at each session of Parliament.

During the 1959 session, as you remember, the Standing Committee on Finance performed this kind of public service with commendable impartiality and with creditable success in a problem area of great national interest and concern. A similar observation is applicable to the activities of the Land Use Committee, a committee whose activities are now well under way again, under the guidance of its steering committee and its hard-working chairman (Hon. Mr. Pearson).

Last year there was a brief, perhaps too brief, reactivation of the Standing Committee on External Relations. I am pleased to note the motion now before us which will authorize

this particular committee to review the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization. In moving his motion the Chairman of the Committee, the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), pointed out that there was in this house a general and continuing interest in the subject of Canada's relationships with other countries of the world, and that his motion would enable honourable senators to make a definite contribution toward the thinking on the various problems in the broad field of international relations. The honourable sponsor also indicated the value of the opportunities that would be accorded to us to meet with the Secretary of State for External Affairs, with senior officials of that department, and indeed with other ministers whose work may touch upon the subject of external affairs, in order to keep abreast of the events and problems at first hand.

I submit that these general considerations are applicable to the motion I have introduced. Although my motion will not entail and does not envisage the wide-ranging scope, the latitude and extent of review which are inherent in the motion of the honourable senator from Winnipeg South, because a study of citizenship and immigration has to do with what may be more properly termed an internal, national problem area, I do believe that this house has a continuing and deep interest in the subject of our immigration and citizenship policies and practices, as these are determined and administered in the light of our changing economic needs and in harmony with our changing expectations and attitudes to these policies and practices.

I should now like to tell you a little about the fine work done previously by the Standing Committee on Immigration and Labour, and why the time has come to activate it again so that it may make further important contributions.

Honourable senators, I believe it is of some consequence to remember that but for some discussions upon immigration problems in the other house, chiefly on the estimates, and in 1955 on a motion to go into supply, and but for the last inquiry made by the Senate's standing committee seven years ago—just a year after the act was revised in 1952—there has been no careful study made of the operations of the Immigration Act of 1952 by any standing or special committees of Parliament for quite some time.

At this point I should like to make a brief reference to the most useful work previously performed by the Standing Committee on Immigration and Labour at a time, honourable senators, when our policy of immigration selection and admission was not only generally restricted, but also heavily weighted in favour of rather narrow groups—I am thinking of farmers and unskilled labourers; and at a time when there was a great humanitarian concern about refugees and displaced persons; and at a time when there was evidence of a growing public demand for a liberalization of our immigration practices and policies.

The Standing Committee on Immigration and Labour did yeoman and most meritorious service in 1946, when it had 11 sittings and produced a report; in 1947, with 14 sittings, and a report; in 1948, with 10 sittings, and a report. There were additional sittings in 1949, 1951 and 1953.

It is interesting to note that besides ministers and senior Government officials, a large number of interested organizations and public-spirited citizens appeared before the committee to offer their responsible observations and suggestions. It is equally interesting to note how many of the recommendations which the committee have made in those reports were accepted by the Government and resulted in significant changes in our immigration policies and practices through Orders in Council, through changed regulations, and eventually in the revision of the Immigration Act in 1952.

For example, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), in moving the reactivation of the work of the committee in 1947, was able to point out that the 1946 study was followed by two revisions of the regulations and the establishment of new immigration inspectional offices in Europe, in line with the Senate recommendations; and on May 7, 1947 the honourable senator was able to tell his committee members that the Prime Minister had announced new changes in the Immigration Act, in all regulations and orders in council, that were very sweeping and were in direct line and parallel to the recommendations of the Senate. Incidentally—and this I would like to mention—the 1947 report was able to describe the great progress then being made in wiping out the legal ban against marriage and in making admissible whole family units—then a new concept—which our experience has since proved to be not only more humanitarian and generally acceptable but, indeed, eminently practicable from the point of view of integration of these newcomers.

This brief overview of the committee's work makes me enthusiastic about the kind of contributions it may make again if we activate it for this purpose. I know that

many Canadians are seriously concerned about our current immigration policy and practices, and I believe the time has come to review them on an organized basis, providing a public forum where evidence may be freely given and impartially examined and assessed.

I would be unfair to my honourable colleagues if I did not express my personal convictions with respect to immigration. Without entering into my personal observations about the many problems—and a lot of them are bogey problems—which are involved in the integration of newcomers into our way of life and these I could make, for I am the son of an immigrant—let me state simply and unequivocally my belief that a vigorous and sustained policy of a much higher level of immigration is for Canadians a stark necessity. We need people to harness and utilize the abundance of our natural resources. We need people to purchase the products of our industries, rather than exporting materials in raw and semi-raw form. We need people as taxpayers to distribute among more Canadians the burden of our public expenditures. We need immigrants to balance off the export of Canadians to more industrialized and more fully populated countries like the United States. We need immigrants for their religious, cultural and other skills, for their experience and hidden human resources and reserves which they will bring with them, to share with us. It is true that letting in still another immigrant is an act of kindness to him and, we hope, to the sending country, but it is undoubtedly a greater act of kindness to ourselves.

We now come face to face with this basic fact about which many Canadians are gravely concerned, and about which many questions are being asked. During the preceding two years, honourable senators—that is, in 1958 and 1959—there has been a rather dramatic decrease in the number of landed immigrants in Canada. In 1957 the number of landed immigrants, in round numbers, was 282,000; in 1959 the number had dropped to 107,000, which is about 60 per cent of the 1957 figure. This is a very, very dramatic decrease. But when we counterbalance this with emigration figures, which we estimate to be about 50,000 based upon ten-year averages—and I got them for 1945 to 1955, because for some reason which I could never understand we apparently do not keep accurate statistics on emigration—our net intake of immigrants—the net, the balance—has nosedived from 232,000 in 1957 to about 57,000 in 1959. That is an apparent reduction, honourable senators, of approximately 400 per cent, in two years.

It is natural, therefore, that questions are being asked which denote increasing concern and dissatisfaction about an overall policy on immigration; questions like: Why is this policy not clear? Why is it so difficult for us to determine where we are going with respect to immigration? Why is this policy not consistent, because we are apparently, during relatively prosperous times, in the cold phase of an alternately hot-and-cold immigration policy?

During the past two years, and on its record, the present immigration policy seems to run counter to the undisputed proposition so vigorously championed by leading Government exponents, especially during the 1955 debate on immigration, that Canada needs more people which she must gain through a vigorous, and not restrictive, policy of immigration. It is a policy which some people say is a kind of gloomster or pessimistic policy of reduction, and hence a kind of national planning for a little Canada. In other words, honourable senators, it is a policy to which one might apply with some validity a phrase coined back in 1955: "Immigration if necessary, but not necessarily immigration".

But for some minor changes which are contained in orders in council, the law and the rules and regulations governing immigration today are exactly the same as they were under the former Government, so we must assume that the spirit and the method of application of these rules have been changed quietly and subtly—from the flexibility that is needed to have our immigration policies injected with noticeable and measurable dosages of, I would say, idealism and humanity plus a vigorous "going-after" new immigrants, to rigidity and apparent discouragement of sponsored and other immigrants, if my limited experiences with specific immigration cases is any criterion.

How else are we to explain this dramatic decrease in the number of landed immigrants? On page 23 of the last Annual Report of the Department of Citizenship and Immigration the Director of the Immigration Branch explains this decrease in exactly one sentence of eighteen words:

> The decrease can be attributed to diverse factors, including particularly adverse publicity abroad about economic conditions in Canada.

I, for one, want to know a great deal more about these diverse factors; and although I believe that some of these factors are of an external nature and are, perhaps, beyond our control or jurisdiction, I also believe that many of these factors have been of our own choosing and of our own making, and I am anxious to know why this is so.

In this context I would like to refer honourable senators to pages 119 and 120 of the report of the Royal Commission on Canada's Economic Prospects, which examines Canada's

immigration policy on purely economic grounds. There are several pages devoted to this examination, and on page 120 are these words:

...it is our conviction that the economic advantages of continued immigration are substantial enough to justify an attempt to maintain a stable immigration policy even through periods of mild recession in Canada.

And further on:

...we think that the interests of all Canadians would be best served by resisting the temptation to turn the administrative tap off and on with every temporary change in business conditions.

I would like to draw your attention to an address given by the Honourable the Minister of Citizenship and Immigration when she spoke to a Winnipeg audience on January 26 last. In this address she outlined what I believe to be her basic theses concerning the societal, economic and other desirable benefits of immigration. Coupled into this speech was a denial that immigration is a significant factor in the level of unemployment, and I bring to your attention, without comment, this significant summary statement of the minister:

Until then however,

—speaking of 1965, according to the text—

—Canada could continue to absorb immigrants at as high a level as possible.

The Prime Minister, speaking to a Toronto audience on April 25, 1957, made this interesting commitment to the Canadian people:

We believe that Canada needs increased population in her development to keep pace with her vast resources. To that end we will undertake a vigorous immigration policy. We will overhaul (the Immigration Act's) administration to ensure that humanity will be considered and put an end to the bureaucratic interpretations which keep out from Canada many potentially good citizens.

Yet, within two years the net immigration intake has dropped almost fourfold and the number of landed immigrants dropped from a previous six-year average of 174,093 to the present two-year average of 115,888. Why?

I could, of course, quote a very interesting resolution passed by the Conservative party at its convention held in Ottawa on December 1 and 2, 1959, but I shall just pass it by and mention it in passing.

I am almost finished, honourable senators, but I wish to say that my motivation in presenting this motion is also caused by my belief that there is a need to examine into the administration of the Immigration Act. I believe that we should consider the criticisms which have continued to be expressed in the past over such problems as these. Certain regulations have been branded and are continuing to be branded as sweeping, ill-judged and giving tremendous arbitrary power to special inquiry officers. And the definition of a special inquiry officer is exceedingly pertinent in this respect.

There are concerns about the use of section 61 of the act which gives to the cabinet very wide legislative and regulatory power, in effect giving it the entire responsibility of deciding who can be assimilated and therefore those who can come to Canada, which is really the main point of the immigration law. There are problems dealing with sponsored cases, especially concerning relatives of Canadian citizens. It would be interesting to know how these sponsored cases are working out and whether there are any discrepancies between our regulations and administrative practices. There are concerns expressed about the location and the activities of our field inspection officers in relation to the number of immigrants that are coming from the places where these officers are located. Then there are the very touching and very thorny problems of deportations, active or suspended; and a suspended deportation, of course, can deprive the Canadian resident of any hope of becoming a Canadian citizen. Then there are concerns and questions asked about what is being done about the codifying of our regulations and our judgmental interpretations so that we might know more about what legal rights may be attached to immigration, so that individuals may know more about the reasons leading to a refusal of their applications.

Honourable senators, you will have noticed that I have spoken more of the general considerations which have prompted me to present this motion. I have referred only briefly to specific problem areas in which I am interested—and I believe other honourable senators are too—but which I believe would best be presented to the committee if the committee is activated and given an opportunity to study these problems.

The exclusion of the section dealing with the Indian Affairs Branch anticipated the reconstitution of the joint committee studying Indian Affairs, which fact has been accomplished.

Honourable senators will notice that the motion is so framed as to give considerable freedom and flexibility to the members of the committee in reviewing also the activities of the Citizenship and the Citizenship Registration Branches. I believe that this motion is timely and I hope that it will meet with your support.

On motion of Hon. Mrs. Wilson, debate adjourned.

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, before the Orders of the Day are proceeded with I should like to address a question to the Deputy Leader of the Government in the Senate, the honourable gentleman from Hanover (Hon. Mr. Brunt). I should like to ask if at the next sitting of the house he would make a statement for the benefit of honourable members on the present situation concerning the Canada-United States interparliamentary committee for improving relations between members of Parliament and members of Congress. Specifically I should like to know if a constitution has been prepared and, if so, where a copy might be obtained; if there is a report on the meeting which I understand took place last summer; what plans are on foot for the next meeting, and what agenda is contemplated.

Hon. Mr. Brunt: I will get the information.

DIVORCE

BILLS—THIRD READINGS

Hon. Muriel McQ. Fergusson, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-243, for the relief of Richard Austin Evans.

Bill SD-244, for the relief of Marion Mary Treen Frosst.

Bill SD-245, for the relief of Joyce Mary Whiteman Rogers.

Bill SD-246, for the relief of Vera Arlene Perry Locke.

Bill SD-247, for the relief of Beatriki Bourboulis Angelidis.

Bill SD-248, for the relief of Jessie Margaret Cross Joly.

Bill SD-249, for the relief of Guy Labrosse.

Bill SD-250, for the relief of Joyce Agnes Catherine Wilkinson Greenwood.

Bill SD-251, for the relief of Jacques Cormier.

Bill SD-252, for the relief of Mary Lorraine Little Copping.

Bill SD-253, for the relief of Sylvia Trachimovsky Fox.

Bill SD-254, for the relief of Kathleen Shannon Keene.

Bill SD-255, for the relief of Jean Elizabeth MacCuaig Vinters.

Bill SD-256, for the relief of Lucy Sekora Budnik.

Bill SD-257, for the relief of Joyce Middlehurst Walker.

Bill SD-258, for the relief of Patricia Shirley Rydberg Menzies.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

ORDER FOR SECOND READING STANDS

On the order:

Second reading of Bill S-25, intituled: "An Act to make Provision for the Disclosure of Information in respect of Finance Charges".—(Honourable Senator Croll).

Hon. Mrs. Fergusson: Honourable senators, on behalf of the honourable senator from Toronto-Spadina (Hon. Mr. Croll), who expected to be here this evening, but unfortunately was obliged to go to his home through illness, I ask that this matter stand.

The Hon. the Speaker: The order stands.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, before we adjourn I should like to secure the unanimous consent of the Senate, if possible, to proceed with the debate on the National Housing bill as the first item of business when the house meets tomorrow afternoon. The debate was adjourned by the honourable junior senator from Winnipeg (Hon. Mr. Wall). My reason for making this request is that the Standing Committee on Banking and Commerce, which is to meet tomorrow morning, is prepared to meet again when the Senate rises in the afternoon, as well as in the evening. Therefore, if the National Housing bill should be referred to committee tomorrow, the Banking and Commerce Committee would be ready to consider it. May I have unanimous consent of the Senate for this order of business?

Hon. Mr. Macdonald: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, March 23, 1960

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

Prayers.

NATIONAL HOUSING BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Hnatyshyn for the second reading of Bill C-53, to amend the National Housing Act, 1954.

Hon. William M. Wall: Honourable senators, in introducing Bill C-53, an act to amend the National Housing Act, the sponsor (Hon. Mr. Hnatyshyn) spoke in complimentary terms of the progress made since the present Government took over and, indeed, in general terms, since the initiation of this very useful legislation by the previous Liberal Government. We all share in the satisfaction which the Government, the Central Mortgage and Housing Corporation and the construction industry in general must feel in the progress made so far.

Last year it was estimated that housing construction gave employment to 250,000 men. The sponsor stated there were 145,000 completions and 141,000 starts, and that the projected target for the future is about 125,000 homes per annum. He stressed the fact that the Government was concerned that the emphasis should be on small homes and on limited-dividend provisions of the act, and that housing be provided for people in the lower-income bracket.

Now, all that is very fine, but we should not overlook the problem areas which do exist and have existed for some time, and which have become increasingly serious. I believe that these problem areas are very significant for our better understanding of how the National Housing Act is operating.

Honourable senators, I am not concerned with what is in the bill. The bill as such is good, as far it goes, and I intend to support its two principal changes. What concerns me is what I do not find in the bill, and what was not adequately explained in the other house nor in this house yesterday.

My purpose will be to list and to explain some of these problem areas which indicate, to me at least, that the National Housing Act is inadequately meeting housing needs of the very Canadians who need housing most, namely, the low-income group. There are a great many in this group, indeed the majority of the Canadian people; they are fine and upstanding Canadians, yet they have had very little opportunity to buy new homes with low down payments and a reasonably long term of repayment.

Granted, honourable senators, that we are making a bit of progress, but we must assess realistically what this progress is and what remains to be done to an act which may need changing or streamlining, with the Government, naturally, leading the way. We welcome the emphasis of the sponsor in saying that the new direct loans will be made mainly to the low-income groups. The eligible income figure quoted to this house was $5,000 or under, and I heard some place—I believe it was on the radio—that under the present Government some 400,000 units have been built. The question that puzzles and bothers me is: How many of these 400,000 units have been built for Canadians earning $4,000 or less in annual income? According to the sponsor of the bill, in two years direct loans were made for 55,000 small homes and rental units, but in the limited dividend field in 1952 there were 6,282 units built, and in 1959 the figure had slipped to 4,500. It would be interesting to know how many of those 55,000 homes were in fact allocated to Canadians earning $4,000 or less annually. I shall explain later why I am using that figure of $4,000, which is very important and significant.

Better still, since the beginning of direct loaning we have now allocated or committed $1 billion of public funds for housing, and I should like very much to see a breakdown of this amount to ascertain: how much went into small homes and how these were distributed among various price levels and among what income groups, how much into limited-dividend rental units, how much into urban redevelopment schemes of older areas, and how much into apartments, which are beginning to take a larger and larger amount of these housing funds.

The honourable senator who sponsored this bill pointed out that in 1959 the Government had committed $343 million to housing. Again it would be very interesting to know—and this was the question I posed yesterday—where this $343 million went. For example, how much of that money went into apartment buildings, and what kind of apartment buildings were they? It would be very interesting to me to know the names of the buildings in Winnipeg into which some of this money went. I believe the minister admitted that out of this $343 million only $25 million went into limited-dividend corporation loans. I would like to know how much of this $343 million was allocated under

Part V of the act dealing with urban redevelopment. How much was allocated under section 36 of the act, which has to do with low-rental units, and how much went into small homes? Again it is crucial for us to remember the definition of a small home, for the average definition of an average price and an average income of the Canadian who can buy such a home is very, very misleading.

Honourable senators, I would like to bring to your attention a few statistical figures. For, whatever the reasons—and some of those we know: high cost of loans, improvements, money, materials, construction and perhaps the relatively high level of profits on houses—the fact remains that housing costs are up and the average for small homes is now $14,612 per unit. Therefore the down payments are up, the monthly payments are up, and if you want to qualify you have to have annual earnings which are reasonably high up in the scale.

As a result of advertisements that appeared in both Ottawa newspapers over the weekend I have been doing some work dealing with the kind of homes that people can buy in the various new development areas, what the down payments are, how many plans they can choose from, and how far they would have to go from Ottawa to get a home, and so on. It might interest honourable senators if I said simply that when you get to the stage where you talk about a home-seeker or client who is earning around $4,000, you will be told that he cannot possibly buy any of these houses. That is the problem that faces us and that I want to validate with statistics.

I have in my hand a Dominion Bureau of Statistics pamphlet called *The Distribution of Non-Farm Income in Canada by Size,* 1957. On page 21 we find estimates of the number of Canadian families and unattached individuals who were earning $4,000 and less in Canada in 1957. The percentage of those Canadians was 56.7 per cent.

I also have in my hand the latest *Canadian Statistical Review,* for February 1960. On pages 7 and 8 there is a preliminary release of the same kind of figures for distribution of non-farm income for 1958. I find on page 8, in table 1, that of 4,460,000 Canadian families and unattached individuals, 1,632,000, or 36 per cent, are earning $3,000 or less, and that 2,404,000 of those 4,460,000 are earning $4,000 or less. This sampling study is validated by taxation statistics. I have in my hand *Taxation Statistics of 1959,* and on page 8 is given the breakdown of Canadian taxpayers who paid taxes for 1957. I find that out of 4,076,465 taxpayers, 1,683,953, or roughly 40 per cent, earned less than $3,000 per year. Another 1,052,061 earned between $3,000 and $4,000 per year. So of all Canadian taxpayers 2.7 million are earning $4,000 or less annually.

Hon. Mr. Brunt: Have you any breakdown as to how many of those taxpayers are married and how many are single?

Hon. Mr. Wall: No. This is a composite table of all Canadian taxpayers.

So we face a problem which can be stated very simply. The ordinary Canadian, the small man with the small income, cannot come near to buying one of these new houses which are being built and about which we are talking in thousands. We say we have built so many thousands. I say the average man cannot come near to buying one. If you want to validate that statement, speak to some of the people who work in the building and ask them whether they have ever thought of buying a new house and why they cannot do so.

I have in my hand *Canadian Housing Statistics* for the third quarter of 1959, and page 18, table 26, deals with incomes of applicants under the National Housing Act. I am not interested in the averages. The averages are often quoted, but they are misleading, because they do not tell the whole story.

I want to stress the fact that in the second and third quarters of 1959, 8.4 per cent and 8.7 per cent, respectively, of all loans made under the National Housing Act went to people whose salaries were under $4,000. That means we are providing approximately only 8 or 9 per cent of new housing units for roughly 55 or 56 per cent of our population.

A great deal is made of the statement that the Government has been doing much in the small-home field, and we are glad that so much has been done. True, the honourable the minister stated that 52.6 per cent of the loans to purchasers of these small homes went to people with incomes of $5,000 or less, 24.9 per cent to people with incomes between $5,000 and $6,000, and so on. But when you assess that 52.6 per cent you find that only 8.7 per cent of those loans went to people earning less than $4,000. In other words, you again find a heavy concentration of small-home building for people in a specific salary bracket which is far above the $4,000 that I have been talking about and which I consider rather important.

Last year I asked for a breakdown of these small-home loans and we got the breakdown in our committee. The breakdown—and I do not think this year's will differ very much —was very significant. It showed that only 13.1 per cent of the small homes were bought by applicants with an income under $4,000.

The heavy concentration was among people earning between $4,000 and $5,000—40.7 per cent. The proportion bought by people with incomes between $5,000 and $6,000 was 24.2 per cent.

The important thing is to relate the number of those people to our total population and consider why so much housing is going into that particular area. We were told by the honourable sponsor of the bill that under the limited-dividend plan 6,282 units were built in 1958 and 4,500 in 1959. We have to compare this number of units with the total number. Last year there were 145,000 completions. Now, 4,500 related to 145,000 is a very small number.

So what we are dealing with, honourable senators, is a prolonged and unremedied shortage of new housing for people of low incomes, and we find that the filtering-down theory is not working as well as we had anticipated. The filtering-down theory is a simple one. It says that if you build enough good houses for the people who can afford to buy them, then in course of time, as other houses are vacated by their original owners, they will filter down to people in the lower-income brackets. The fact remains that this is not happening.

The *Monthly Review* of the Bank of Nova Scotia, for February 1959, which is devoted to "Housing—Time to Take Stock", says:

> Though the overall adequacy of housing has been improving, there is a residual core of Canada's population which has not been able to take advantage of the new opportunities offered.

Further on it talks about one approach to this housing problem for low-income families, namely through the small-home feature, and it says:

> But even the "small home" had an average price of about $13,000 in 1958, while the median family income was probably around $4,600.

So, honourable senators, if it is true—and I contend it is—that the very people whom the National Housing Act was supposed to benefit, namely, the low-income and low median groups, are not benefiting, because of the variety of reasons about which we know, perhaps the time has come to look at the National Housing Act and check to see whether changes might be made. I want to suggest one or two.

Perhaps the amount of loan needs to be increased again, and the amount of down payment needs to be cut down.

Perhaps the period of mortgage needs to be lengthened to avoid the need for second mortgages with their fantastic bonuses and their basic costs. I am told that the bonus discounts on second mortgages run as high as 50 per cent, and that 25 per cent is very common indeed.

Then this problem arises: Why is there so much reluctance—under the act—to do anything about slum clearance and urban redevelopment? After all, we had a purpose in mind when this part of the act was framed. It is evidently not meeting that purpose. Probably something needs to be changed.

Another problem that perturbs me is, how can we do more under section 16 of the act with respect to limited-dividend housing for people with incomes of $3,600 or less? Much more should be done. Some 4,500 units out of 145,000 completions are just a pittance.

Perhaps, honourable senators—and this I think is very cogent to the problem—we should amend the definition of a housing project in the act, which definition is presently related to that of a family housing unit as a self-contained unit. Perhaps the time has come for us to think of amending that definition to allow the building of the dormitory type of accommodation for old folks, for example, or for university students.

This brings to mind one additional point; some way must be found for the easier financing of older homes. One has only to telephone a real estate agent in this city and say to him that you have three or four children and you need a house with three bedrooms—

Hon. Mr. Brunt: Four bedrooms.

Hon. Mr. Wall: Very well, four bedrooms —that you have in cash $1,500 or $2,000 at the most, and ask him what you can buy in the older type of home with that down payment. Let me assure you, honourable senators, the answers you get will be highly disconcerting and disappointing. The agent will point out that it is very difficult to make a purchase under those terms, that once in a while he may get an older house that is owned by a person who is prepared to take a first mortgage over a long period of time and accept a low down payment, but that does not happen very often. The problem is, how can we more adequately bring into play public funds so that people can buy the older, good quality type of home, perhaps remodel it a bit, and pay off the loan over a long period of time, as can now be done with the new home? In other words, why is it not possible for the Government to take up mortgages for the purchase of older homes and for their improvement, with repayment on a long-term basis? Why are we concentrating on new homes alone, and ostensibly leaving out between 54 and 57 per cent of our Canadian people whose incomes are in the $4,000-a-year bracket?

Those are the problems, honourable senators, that prompted me last year to inquire with all seriousness why, when we were

putting an additional $250 million into the housing field, we did not allocate that money by statute, or in some way show the intent of Parliament, that so much of it should go into limited-dividend units, so much for small homes, so much for low-rental apartments—and, as you will remember, I put in a plea for the construction of university residences. By so allocating loans, all the housing funds would not go into a narrow segment of accommodation for a limited segment of our population.

Hon. Mr. Horner: May I ask the honourable senator if he has any record of the percentage of those who were unable to qualify, who were already provided with housing by companies, or who were farm employees and furnished with a house? In other words, has the number of people in these classes been deducted from the total number of those who could not qualify?

Hon. Mr. Wall: The remarks of the honourable senator from Blaine Lake (Hon. Mr. Horner) are pertinent, and I regret that I do not have that type of statistics at hand; indeed, I do not know whether they are available. But that does not detract from the argument that it should be possible for half of our population to have reasonable access to the new houses that are being built with public support.

Hon. Mr. Brunt: May I ask a question? Does the honourable senator mean that half the population of Canada is in this low-income bracket and looking for houses?

Hon. Mr. Wall: Let me answer by posing this question: Does this mean that only the people who are earning between $4,000 and $5,000 are not housed this year, and therefore should get 40 per cent of all the small homes that are being built or were built last year? The argument works both ways.

Honourable senators, when I spoke last session I recited at length the incomes of families and related them to loan applications under the National Housing Act. I said at that time that we were not doing much under the act for families with incomes of less than $3,000. The figures are indeed pathetic. I pointed out that in 1951 some 13.2 per cent of the National Housing Act loans went to families with incomes of $3,000 or less; in 1955 that percentage had dropped to .3 per cent, and in 1958 it had been reduced to .2 per cent. In other words, for about 36 per cent of our families we are providing .2 per cent of our National Housing Act loans. That is a statement of fact, from which you may draw what conclusion you wish.

The figures with respect to National Housing Act applicants in the $4,000 income class show this dramatic decline. In 1951 this group received 55.3 per cent of the loans; by 1955 the percentage had dropped to 13.9 per cent, and in 1958 it stood at 9.3 per cent.

In other words, honourable senators, the little man cannot buy a new unit, nor can he buy an older unit. The next question is, what can he rent? Are we providing new rental accommodation for these families in sufficient quantities? I know that a lot of apartments are being built, and some of them may go to this low-income class, but I doubt if the percentage is very high.

The sponsor also told us that there were built in 1957, under the limited-dividend provisions, 4,124 units. In 1958 2,500 rental units were built—I refer you to page 276, because those figures confuse me a little—and in 1958 there were 6,282 limited-dividend units which, I gather, are also rental units.

I would like to relate those figures to the total of 55,000 units that were provided by direct loans under the National Housing Act during the previous two years. The percentage is difficult for me to calculate because I am not certain whether the figures I have quoted, namely 4,124, 2,500, and 6,282, are to be added together, which would give a total of about 12,000 units and which is a fairly large number, or whether there is a duplication in those figures.

The honourable senator also pointed out something which we are all very pleased to note, that under section 36 approval has been given for 3,600 units of public low-cost housing. I presume they are to be built next year.

All this, of course, is encouraging, but it adds up to very little to these people with low incomes. That is the particular point that I want to bring to the attention of honourable senators, with the suggestion that although we might say that we have done very well and that we have made progress—and truly we have—much remains to be done; and certainly the Government must continually study this National Housing Act and how it is being applied across the nation, and to make more certain that in this big public effort—where another $500 million of public money is to be given in direct aid of housing—the man who is earning $4,000 or less will get some kind of a reasonable share of the new housing that is being provided with public support, the share which he is not now getting.

Hon. David A. Croll: Honourable senators, in the time I have at my disposal I intend to make a few observations on what has already been said in the debate on this bill. I am prompted to rise, not because of the contents of the sponsor's (Hon. Mr. Hnatyshyn's) presentation, but rather because of its colouration. I want to take nothing away

from the Government in what it has done, so long as it encouraged the building of 161,000 houses in 1958 and 140,000 in 1959. I was cheering for it—silently, but nevertheless cheering.

Hon. Mr. Brunt: That is quite an admission.

Hon. Mr. Croll: I rather thought that the sponsor had inadvertently allocated to the Government 100,000 houses. I did not want the Senate to be left with the impression that it was not noticed on this side. He said that 400,000 houses had been built during the time this Government has been in office, but I would point out that at least 100,000 were built because of policies that were put into effect in the first part of 1957 by the then Government.

On the other hand, let me say this, that what we did yesterday is of not much importance today. We paid for our folly. As a matter of fact, we paid for it on two occasions in the voting booths. What we are concerned with now is what you as a Government are doing today. Perhaps at this time I can put it in one sentence: At the present time it is easier and cheaper to raise money to build a barn than a home. That is the state of affairs at this time.

Hon. Mr. Brunt: Would the honourable senator elaborate on that statement? From where do you get the money to build barns?

Hon. Mr. Croll: I do not need to elaborate on it. It is a fact. I could have made it a little stronger, but I did not.

Hon. Mr. Hayden: The honourable senator is a city fellow.

Hon. Mr. Brunt: I would like to know how you get easier and cheaper loans on barns than on houses?

Hon. Mr. Croll: If the honourable senator asks any farmer he will find out that farmers can get money at 5 per cent interest under any of the farm loan acts.

Hon. Mr. Brunt: The money is lent not for the building of barns, but for the purchase of farms.

Hon. Mr. Croll: Money is lent also for whatever is required in the way of farm improvements.

Hon. Mr. Brunt: You cannot get a home improvement loan to build a barn.

Hon. Mr. Macdonald: You mean a farm improvement loan.

Hon. Mr. Croll: The C.M.H.C. direct loans are not budgetary items. It is returnable money. These loans are repaid. This is not money that is spent; it is money that is lent at interest. If you look at the record you will see it indicates that the 25-year loans are being repaid in about twelve or fifteen years, or much faster than was originally anticipated. Last year C.M.H.C. lent $343 million. This year it intends to lend $150 million, with an outside figure of $175 million. At the same time we in this country are faced with an unemployment problem of very great proportions. I have the figures. The report issued by the Department of Labour dated today, March 23, indicates that there was an increase of 50,000 people unemployed during January. In every region of Canada, except the Pacific region, there has been a considerable increase in the number of people looking for employment.

Construction is one of our sure-fire employment possibilities. It has been in the past and it is now. If there is one opportunity for creating employment, it is through the construction industry and the building of homes.

Central Mortgage and Housing Corporation went into the direct lending field for some years prior to 1954. In 1954 the Government of the day decided that the banks should provide mortgage facilities under the National Housing Act. They were reluctant to get into the business but we pushed them into it, for there was a vacuum that needed to be filled. There was a social, moral and economic obligation and a responsibility to which the banks responded. The need had to be met either by the Government continuing in the direct loan field or through some other agency. The present Government has eliminated the banks from the field by its fiscal and monetary policy.

There were some 5,000 bank branches in Canada and through them we were able to meet the need at every whistle-stop in this country on a friendly, understanding basis. The local bank manager knew his customers and their credit ratings and he took an interest in making provisions for their homes. That source of borrowing is no longer available to the people of Canada. From 1954 to and including 1958 the number of bank loans on housing units was as follows:

1954	16,906
1955	34,457
1956	15,896
1957	15,687
1958	26,135

This amounted to about 110,000 loans and an investment of about $300 million. Last year, as far as I can ascertain, the loans numbered approximately 14,000. During the period from 1954 to 1958 the bank loans averaged about 20,000 a year. Many of these went to large municipalities, but a big number went to small municipalities.

Let me indicate how badly we are doing with bank loans at the present time. I will give honourable members a few comparable figures on loans granted by banks:

Date	No. of Loans
December, 1958	900
December, 1959	17
January, 1959	670
January, 1960	11
February, 1959	883
February, 1960	6

This represents a total decrease of 2,419, almost 99 per cent.

Loans by trust and loan companies in the same months were as follows:

Date	No. of Loans
December, 1958	579
December, 1959	117
January, 1959	516
January, 1960	160
February, 1959	1,043
February, 1960	550

This represents a total decrease of 1,331, almost 62 per cent.

As of March 11 this year Central Mortgage and Housing Corporation granted direct loans totalling 1,143, whereas last year at this time it had granted direct loans totalling 5,314.

Hon. Mr. Haig: If my honourable friend were a bank manager, and could lend his bank's money to some of the large companies or the Government at 6 per cent, would he loan it to borrowers for housing at 7 per cent?

Hon. Mr. Croll: All I can say is that I would do exactly what my honourable friend would do under those circumstances. I am not blaming the banks for not making these loans. My point is that the Government, through its policy, has eliminated the banks from this business.

Hon. Mr. Haig: The banks are still in the business.

Hon. Mr. Croll: Not at 6¾ per cent, because they are not permitted to charge that interest rate.

Hon. Mr. Haig: Does my honourable friend mean to say they cannot lend the money if they want to?

Hon. Mr. Croll: The banks are limited to 6 per cent under the act.

Hon. Mr. Haig: I know that.

Hon. Mr. Croll: Banks are assumed to have a certain amount of business acumen, and if they can get more interest on their money they naturally take it. So long as the interest rate was within the 6 per cent area the banks were more than happy to do this business, but they cannot do it at present.

Under this legislation we are being asked to vote a large sum of money which the Government does not intend to use at the present time but may decide to use at some future date. We have a need right now that is as great as any we have had. Statistics indicate that almost 400,000 people in this country need housing. They are doubling up, and the minimum requirement is 125,000 units in order to meet family formations. Although we are told that 125,000 houses will be built this year, because of the amount of money that is available and the lateness of the season the Government will be lucky if even 100,000 are built.

From a study which it made some time ago Central Mortgage and Housing Corporation estimated the minimum need for this country to be 136,000 houses a year. The Gordon Commission made a similar study over a similar period of time and said we need a minimum of 148,000 houses a year. We speak about the low-income group and people earning below $5,000 a year. The maximum loan such people can receive is about $12,200. If you deduct the insurance premium of 2 per cent from that amount it leaves approximately $12,000. Those of us who know anything at all about housing and land availability know that in communities such as Oshawa, London, Chatham and Windsor, which are not our largest, the land alone costs the home builder $4,000. What kind of a house can you build with the $8,000 that is left? And you have to pay a great deal more than $4,000 for a lot in Toronto. It just does not make sense. There is no shortage of money in this country. The Government recently put out a convertible loan for $1 billion, if I am not mistaken, and it was oversubscribed in an hour.

Hon. Mr. Brunt: Can you give us any idea when that loan was offered by the Government?

Hon. Mr. Croll: Just recently. I may be wrong as to the total amount. But I know that it was oversubscribed within an hour.

Hon. Mr. Brunt: That is right, but it was not for $1 billion.

Hon. Mr. Croll: You are right. I misread my notes.

Hon. Mr. Hayden: It was for $300 million.

Hon. Mr. Haig: $200 million.

Hon. Mr. Macdonald: It was a lot of money.

Hon. Mr. Brunt: Nobody argues that point.

Hon. Mr. Croll: In any event, the loan was oversubscribed within an hour. I know there is money available if the Government wants to reach for it in order to provide housing facilities, and housing projects provide employment.

We have to ask ourselves these questions: Why are we reducing housing? Is there a need for fewer houses? Are we short of families to occupy homes? Have we removed the slum areas from our various cities? Have we enough low-rental housing? Is there a shortage of manpower? Is there a shortage of material? My suggestion is that the need for housing is greater than it has ever been. With the number of unemployed in Canada today, and the amount of employment that could be made available through construction, there must be some reason which I cannot fathom at the moment why the Government is not pushing the housing construction industry a great deal further than at the present rate of about 125,000 homes a year.

I do not know what the future holds in store in regard to unemployment, but the present picture does not appear to be very bright. We must do something bold and courageous to restore to the people of Canada confidence in our economy. One way of doing that is by providing more housing and thereby providing more employment. That is what we should be doing.

Hon. T. A. Crerar: Honourable senators, my contribution to this debate will be brief, because I anticipate that my good friend across the way (Hon. Mr. Horner) has some observations to make, and since his observations are usually based on sound practical sense I hope not to detain the house too long.

I listened with great interest to all the eloquent arguments that were put forward last evening and this afternoon about the great need for housing for low-income groups, and the dire things that may happen if this need is not speedily met. It led me to wonder how in the world we ever got along in this country before the blessings of Government housing were brought into being.

Hon. Mr. Quinn: Hear, hear.

Hon. Mr. Crerar: Because I can recall a period in our history when we could not get the advantage of Government loans—if it is an advantage, as to which, on the whole, I have some doubts. It seems to me that we are getting things somewhat out of proportion. We talk about the need for housing for low-income groups—and it must be adequate housing. I do not know whether the Leader of the Opposition (Hon. Mr. Macdonald) would advocate that they should be four-bedroom houses or three-bedroom houses; but the interesting thing to me is that the honourable senator who sponsored this bill last evening (Hon. Mr. Hnatyshyn) spoke very eloquently upon it. He dwelt upon the need, and the Government's recognition of the need, of providing housing for low-income groups. My honourable friend the Leader of the Opposition spoke of the same thing. Then we had the extraordinarily eloquent plea from the honourable junior senator from Winnipeg (Hon. Mr. Wall) on this point. As a person with, I hope, some practical sense, I should like to know what these honourable gentlemen have in their minds as a remedy.

Hon. Mr. Quinn: Hear, hear.

Hon. Mr. Crerar: How are we going to meet this dire condition? The honourable junior senator from Winnipeg says, "Reduce the down payment, spread the payments over a longer period of years." How many years?

Hon. Mr. Wall: Forty years.

Hon. Mr. Hayden: It is up to thirty now.

Hon. Mr. Crerar: Are we prepared—and this is the crucial thing that we should face up to honestly—to sacrifice public funds to bring this about, or to risk public funds for this purpose? Are we prepared to put an additional burden on the taxpayers of the future? Let us be honest about it. Are we going to subsidize housing for low-income groups?

Hon. Mr. Brunt: That is what it amounts to.

Hon. Mr. Crerar: If so, let us be honest about it, and let us agree on it; but to go along in this sort of Alice-through-the-Looking-Glass manner seems to me to be very largely illusory.

This is quite an extraordinary bill. What is the chief motive behind this proposed legislation? There are two possible motives: (1) the honest desire to improve housing conditions, and (2) the rather hidden view of relieving unemployment. Is it one or the other, or is it both—and to what extent? I think we should have some information about this. The Prime Minister, certainly in his election campaigns, gave the country to understand that if he headed a government no one would suffer from lack of work. Is this one way of implementing this promise? And where is the building of housing going to cease? Our colleague from Toronto-Spadina (Hon. Mr. Croll) talks about family formations. You can prove almost anything with statistics. May I say that in the eighties and

nineties of the last century and the early decades of this century people flocked to western Canada in tens of thousands of families a year, and they did not do it on the strength of any information they got from statistics as to their chance of survival if they went there. If they had depended on statistical surveys, on information provided by these bright lights who burn the midnight oil to solve all our problems, they never would have gone to that country—never for a moment. The chances were against them.

Are we now by these means, by all this ardour, to get the Government into everything and solve everyone's problems, whether it be wheat, or competition from outside goods, or anything else?

In our desperate ardour to help in all these ways we are destroying, I fear, the very qualities that led the pioneers to go to western Canada, for example, and build up a great part of this country into a very productive area. Well, it may be all right, but on that aspect of the argument I think I shall have some support from my honourable friend from Blaine Lake (Hon. Mr. Horner).

Hon. Mr. Horner: Absolutely.

Hon. Mr. Crerar: I know of people, and some of them are still living, who went to western Canada sixty and seventy years ago and whose first home was a sod house. They could not get lumber, they didn't have the money to buy it, but they had faith in themselves and they had faith in the country. And what did they do? They went out on the prairie, they plowed it up and brought in the sods to build their homes, and they lived in those homes for two, three or four years until they could afford better ones.

I want to tell you, honourable senators, that that is the kind of spirit that makes a nation—

Hon. Mr. Brunt: Hear, hear.

Hon. Mr. Crerar: —and if you undermine that, you are lost.

Hon. Mr. Roebuck: Would the honourable senator tell us how much they paid for building lots in those days?

Hon. Mr. Crerar: I am speaking of immigrants who went to our western country and settled on farms.

Hon. Mr. Roebuck: But they did not have to pay $4,000 for a small building lot.

Hon. Mr. Crerar: Well, let me give you an illustration of my own case. When I got married I had to procure a house. I was working in a small town at the very honourable occupation of managing a grain elevator. I didn't have much money, but I never thought of going to the Government or to a municipality for any. I wangled through. It was not easy, but the experience was good for me, because it imposed a certain kind of discipline on me.

I was about to remark about the fellow countrymen of the honourable senator who sponsored this bill (Hon. Mr. Hnatyshyn). Some sixty or sixty-five years ago, when our Ukrainian friends commenced to come to this country in considerable numbers, they did not have much money: they had barely enough to pay $10 to enter for a free homestead. They settled in a part of Manitoba that I was familiar with, and started to build their fortunes.

On weekends some of them walked ten to fifteen miles to and from a job with some neighbouring farmer. I recall that well, because my father was one of these farmers, and every Saturday night his hired man—a Ukrainian—would walk twelve miles back to see his family. What was the result? Through struggle and effort this hired man and his fellow Ukrainians built a community which today is one of the most prosperous communities in that part of the country.

Why there should be spread abroad the impression that it is absolutely necessary—that it is positively necessary—to have all this Government assistance in building houses and in everything else, is to me a pretty difficult matter to understand.

I want to make just one more comment, and that is with regard to the legislation itself. The bill proposes to increase the amount the Government may advance to Central Mortgage and Housing Corporation from $1 billion to $1.5 billion, and of that extra $500 million the Government, I understand from the sponsor of the measure, will spend probably $150 million to $175 million this year. If that is so, why do we vote the additional amount? Why not vote $175 million and let the corporation apply for more next year, after it has made a report to us?

This method of dealing with the public funds, I am bound to say, does not appeal to me. It is quite true this is not a budgetary item, but it is equally true that the Government must borrow the money before it can go ahead with the loans for housing. And that, honourable senators, is a consideration which I think is worthy of the attention of this house.

Hon. R. B. Horner: Honourable senators, I am delighted that the honourable senator from Churchill (Hon. Mr. Crerar) preceded me. My remarks will now be briefer, for he said some things much more eloquently than I could have said them.

Hon. Mr. Macdonald: Oh, no.

Hon. Mr. Hayden: No, no.

Hon. Mr. Horner: Before I forget, I would like to correct an impression which I may have left last night when I interjected a question about the man with a small family. I want to say that I have nine of a family, six sons and three girls.

Hon. Mr. Macdonald: You forgot the girls last night?

Hon. Mr. Brunt: He wasn't given a chance to mention the girls.

Hon. Mr. Horner: In my home there were four bedrooms besides a little room off the kitchen that served as a bedroom. I remember that when one of the boys, the one who is the doctor now, had scarlet fever, this small room off the kitchen served as quarantine room for him and me until he recovered.

That house of mine, may I say, had neither a first nor a second mortgage on it. I built it with all the cash I had. It was a sod house and it was the most comfortable house I ever lived in: it was warm in winter and cool in summer. That was the third house in which I lived before coming to the Senate. As I say, there was no mortgage on my house. I always felt about a house the same as I did about any car that I drove. I do not say that I never paid interest to the banks, but I never would sit behind the wheel of a car and move it one foot until it was fully paid for.

Judging by all the figures and statements that we have listened to in this debate, it seems to be assumed that no man in Canada is able to build a home for himself, that the Government must come to every man and offer to do it for him. There cannot be any idea more ridiculous than that. As the honourable senator from Churchill so well pointed out, the people who pioneered in the west made out somehow, but I wonder what would have happened if the present notion had been prevalent throughout the country when he and I were young. We had no thought that it was Government's responsibility to find us employment and take care of us when we were out of work. These were things we did for ourselves.

As to people who are not able to qualify for house loans, I maintain that in a great many cases companies provide houses or other types of living quarters for their men and their families. In days gone by lumbermen used to go to the camps where they spent as much as ten months of the year. Speaking of accommodation, I am reminded of the two types of bunks used in those camps. One was called a "muzzle loader" and the other a "breech loader;" one you got into head first, and the other you entered from the side.

Honourable senators, I do not intend to discuss this bill further except to say that housing loans have helped out a great number of people. I agree with the advice offered by the honourable senator from Churchill, that every man in Canada should attempt to build his own home, and get his mortgage paid off as quickly as possible so as not to have to make interest payments. In other words, he should build his house, pay for it, and live in it, and stay out of these financing schemes.

Hon. Thomas Reid: Honourable senators, there is one thought I would like to leave with you concerning the small-wage earner. I do not know how many honourable senators have spoken personally with people on small salaries who have undertaken the purchase of a house with a small down payment. Like most of my colleagues in the house, I was brought up the hard way and did not buy anything I could not pay for. But I have recently spoken to two or three men in the labouring class who had bought houses with $500 down and payment of the balance spread over 25 years. From my conversations with them I got a new slant on their outlook and point of view, one which I think is worth passing on to the house this afternoon.

These men told me that before buying a house they had rented at a cost of from $75 to $90 a month, and that when they were out of employment and could not meet the rent they had to move out. Now, they said, we have bought a house of our own at a cost of $11,000, with $500 down, and we have a monthly payment of $80, which includes the taxes. But, they went on to point out, if they were out of work, under the terms of the agreement of purchase they could not be dispossessed of their homes; furthermore, with a payment of even $80 a month, they were building up a little reserve for their future.

I pass along that bit of information to my honourable colleagues who have not taken the time to speak to workers in this class and find out what they have to do if they try to live like human beings. In the light of this information I have come to the conclusion that there is a great deal of merit in encouraging the building of homes for persons in the lower-income classes.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to Standing Committee on Banking and Commerce.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the Master of the Royal Canadian Mint for the year ended December 31, 1959, pursuant to section 21 of the Currency, Mint and Exchange Fund Act, Chapter 315, R.S. 1952. (English text).

Report on the operations of the Exchange Fund Account for the year ended December 31, 1959, together with the report of the Auditor General on the audit of said account, pursuant to sections 26 and 27(2), respectively, of the Currency, Mint and Exchange Fund Act, Chapter 315, R.S. 1952. (English text).

PRIVATE BILLS

INTERNATIONAL LOAN COMPANY—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce reported that the committee had considered Bill S-23, respecting International Loan Company, and had directed him to report the same to the Senate with one amendment:

Page 1, line 8: Strike out line 8 and substitute therefor the following:

"International Savings and Mortgage Corporation, but such".

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

Hon. Mr. Hnatyshyn: Next sitting.

Hon. Mr. Hayden: Honourable senators, with leave of the Senate, I move that the report be adopted now.

Hon. Mr. Macdonald: I think the report should be explained.

Hon. Mr. Hayden: Honourable senators, the bill which was considered in committee and which we now have before us proposed to change the name of the International Loan Company, which was incorporated in 1913, and substitute therefor the name Federal Mortgage and Savings Corporation. It developed, however, in the consideration of the proposed new name by the Superintendent of Insurance, that there were two objections to the name, that the field was already occupied by other corporations. The name "International Savings and Mortgage Corporation" was suggested, and is now incorporated by way of amendment to the bill. This new name perpetuates the word "International", which was part of the original name of the company.

That is the only amendment proposed to the bill.

Report adopted.

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

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADANAC GENERAL INSURANCE COMPANY OF CANADA—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce, had considered Bill S-18, to incorporate Adanac General Insurance Company of Canada, and had directed him to report the same to the Senate with four amendments:

1. Page 2, line 4: Strike out "for all or any" and substitute "in any one or more"
2. Page 3, lines 1 and 2: Strike out these lines and substitute:—

"(2) The Company shall not commence business in any of the other classes of insurance authorized by section 6 of this Act until"

3. Page 3, lines 44 and 45: Strike out these lines and substitute:—

"in this section the Company may transact business in any one or more of the classes of insurance authorized by section 6 of this"

4. Page 4, line 2: After the word "including" insert "in the liabilities".

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

Hon. Mr. Hayden: With leave, I move that the report be adopted now.

Honourable senators, the bill with which this report deals follows a form which has been, I would say, generally used in the incorporation of insurance companies for a great many years. In the course of considering the bill I thought it contained some language which was not properly descriptive of the things that the company was attempting to do. I consulted the Superintendent of Insurance and our Law Clerk and we felt some changes were necessary in order that the language might more aptly describe what was to be done.

Let me illustrate. One of the amendments which you heard read is clause 7 (4) of the bill. That clause as originally drawn, and as contained in a great many similar bills, reads:

Notwithstanding anything to the contrary contained in this section the Company may transact all or any of the classes of insurance business authorized by section . . .

Actually, that language is very loose, because what is transacted is business in any one or more of the classes of insurance. You do not transact any or all of the classes; it is the insurance business that you carry on.

Over the years the words have become misplaced so that the clause has to some extent become meaningless. We felt that it is never too late to make a change which is an improvement, even though the form may be regarded in some quarters as sacrosanct because it has been used for so long.

Then, in clause 7 (5) there is a definition of "surplus". That word is used frequently with reference to a formula for determining what business may be done, to what extent it may be done, and what money has to be in the till in order to do it. This amendment puts a dictionary definition on the word "surplus". We thought it was not clearly expressed in the bill, which stated:

> ..."surplus" means the excess of assets over liabilities, including the amount paid on account of capital stock and the reserve of unearned premiums...

What does that mean? What it intended to say was that "surplus" means the excess of assets over liabilities, including in the liabilities the amount paid on account of capital stock and the reserve of unearned premiums. We felt that the definition should state what was intended, and we approved an amendment to make it do so.

The first two amendments are concerned also with a change of language. With respect to the amendment to clause 6, on page 2, over the years the catch-all expression "for all or any" has been used and it has been included in this bill. What the draftsman really meant to say was "in any one or more". That makes sensible and easy reading.

There is one more amendment. The same explanation applies to it as to the amendment to clause 7 (4).

These amendments are not substantial in the sense that they change the purpose for which this company seeks incorporation. They are substantial in the sense that they give us a better form of bill for the purpose of reflecting what the company which is to be incorporated may do or may not do.

Report adopted.

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

Hon. Mr. Hayden moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INDIAN BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden, presented the following report of the Standing Committee on Banking and Commerce on Bill C-2, to amend the Indian Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave, I move that the report be adopted.

Report adopted.

CANADA ELECTIONS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Mr. Hayden presented the following report of the Standing Committee on Banking and Commerce on Bill C-3, to amend the Canada Elections Act:

> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave, I move that the report be adopted.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 295 to 304, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

METEOROLOGICAL SERVICE

FORECASTING OF STORMS IN ATLANTIC AREA

Hon. John A. McDonald inquired of the Government, pursuant to notice:

> Is it not possible for our Government, through its Meteorology Branch of the Department of Transport, to supply those living in the Atlantic area with more satisfactory forecasting of approaching storms?
>
> Last summer there was the gale that caused the loss of 35 fishermen off the New Brunswick coast and more recently the big storms of February 3 and March 9 that caused further loss of life and property. It is believed that the Department has a competent staff at Halifax, Moncton and Gander with a high percentage record of correct forecasts; but there must be a lack of weather information from the Atlantic coastal area that makes it impossible for them to forecast storms approaching our shores from the Atlantic Ocean.

Hon. W. M. Aseltine: Honourable senators, the answer to this inquiry is as follows:

> The Department of Transport is at present conducting a thorough investigation into this matter.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

ANSWER TO INQUIRY

Hon. William R. Brunt: Honourable senators, last evening the honourable senator from Shelburne (Hon. Mr. Robertson) addressed three questions to me with respect to the Canada-United States Interparliamentary Group. I now have the answers.

The honourable gentleman's first question was:

I would like to know if a constitution has been prepared.

The answer is that no constitution has been prepared for this committee. However, at the first meeting of the committee, which took place at Washington in January 1959, sixteen basic rules were set up, and these are the rules which govern the conduct of the committee's meetings. At this late hour I do not propose to read the rules and I would ask permission of the Senate to have them made an appendix to today's *Hansard*.

Hon. Senators: Agreed.

See appendix "A" to today's Hansard, *p. 403.*

Hon. Mr. Brunt: The next question asked by the honourable senator from Shelburne was:

Is there a report on the meeting which I understand took place last summer?

This committee met on June 25, 26, 27 and 28, 1959 at Montreal and Ottawa. The American section of the committee published a report which, with leave of the Senate, I would ask to have printed as an appendix to today's *Hansard*.

Hon. Senators: Agreed.

See appendix "B" to today's Hansard, *p. 404-17.*

Hon. Mr. Brunt: I understand the Canadian counterpart of this report will be published within the next ten days or two weeks. When it is received it will be presented to the Senate.

The last question asked by the honourable gentleman from Shelburne was:

What plans are on foot for the next meeting, and what agenda is contemplated?

On February 8 a meeting took place in the city of New York between the Honourable Mark R. Drouin, Speaker of this chamber, the Honourable Roland Michener, Speaker of the House of Commons, United States Senator George D. Aiken (Rep.) of the state of Vermont and Representative Edna F. Kelly (Dem.) of the state of New York. The agenda for the spring meeting of the Canada-United States Interparliamentary Group was discussed, and it was agreed that the meeting will be held in Washington during the week following Easter, commencing on Wednesday, April 20. Among the topics the Group plans to discuss are defence and disarmament, boundary waters between the two countries, and common economic problems. Consideration is being given to a short trip to defence installations of interest to both countries. The members also considered a return visit to Canada by the American delegation in August. I have here the agenda for the forthcoming meeting, and with leave of the Senate I would ask that it too be made an appendix to *Hansard*.

Hon. Senators: Agreed.

See appendix "C" to today's Hansard, *p. 418.*

INTERNATIONAL AFFAIRS

MOTION TO AUTHORIZE EXTERNAL RELATIONS COMMITTEE TO REVIEW CANADA'S ROLE

On the Order:

Resuming the postponed debate on the motion of the Honourable Senator Thorvaldson, seconded by the Honourable Senator Molson:

That the Standing Committee on External Relations be authorized to review the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization;

That the committee have power to send for persons, papers and records.—(Honourable Senator Bradette).

Hon. Mr. Bradette: Honourable senators, I would ask that this order of business stand until tomorrow. In view of the fact that I have been waiting for some time to speak on this motion, I would ask further that, with leave of the Senate, it be placed on the Orders of the Day as the first item of business for tomorrow.

Hon. Mr. Aseltine: Agreed.

MEETING OF COMMITTEE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, before we adjourn I would call attention to the fact that the Standing Committee on Banking and Commerce will meet immediately after the Senate rises. The committee is to consider the National Housing Bill, and I hope all members of the committee will attend.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(*See p. 402*)

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

BASIC RULES FORMULATED AT FIRST MEETING

Washington, January 1959

Basic Rules:

(1) Proper press releases should be made to the press by appointed members of the committee.

(2) Individual members are at liberty to advise the press as to what proposals were discussed at various meetings, but without attribution.

(3) The Governments concerned could not be committed since this parliamentary group has no authority of any kind to commit the Government of either country to any of the conclusions reached at the meetings.

(4) The name of the association of the two groups would be Canada-United States Interparliamentary group. "Canada" and "United States" would be interchangeable, depending on which was the host country.

(5) There should be a continuing relationship of the legislators of both countries in order to discuss various problems which might arise from time to time.

(6) It was agreed that two meetings should be held yearly, one in each country.

(7) It was agreed that there should be a Steering Committee of 8 or 9 members from each country who would be permanent members of the committee, and for each meeting 10 to 15 legislators for each country would be added and rotated for the different meetings. The total number on the committee should be 24 from each country.

(8) Should either country desire to change the number of permanent members on the Committee, notification would be given to the other country.

(9) There should be a joint relationship between the staffs of the groups of the two countries in order to arrange schedules and make other necessary administrative arrangements.

(10) Appropriate staffs would be provided by each group as required.

(11) No country would have any experts sit in and take part in any of the discussions.

(12) The Canadian group would report to the Parliament of Canada; the United States group would report to the Senate Foreign Relations Committee and to the House Foreign Affairs Committee. The Canadian group would keep the Department of External Affairs informed of all discussions and developments which take place, and the United States group would keep their State Department informed of all discussions and developments which would take place.

(13) Each country would pay the transportation of its members to the host country and would pay all hotel bills incurred in the host country. The host country would pay all other expenses incurred in connection with meetings held in the host country. All other expenses to be shared equally by the two countries.

(14) It was agreed that meetings would be held alternately in the two countries.

(15) It was agreed that the Agenda Committee should consist of the Joint Chairmen from the two countries, and further, that the Agenda for each meeting should be set up by the Agenda Committee. However, the Agenda might be added to by the other members of the group upon the giving of proper notice to the Agenda Committee.

Finally it was agreed that items not on the Agenda could be brought up at any general meeting of the Committee provided sufficient time remained to have a discussion of such items.

(16) It was suggested that the groups at the meetings might be divided into smaller parties on occasions and visit areas in the host country which were of specific interest to the members of the Committee.

APPENDIX "B"

(*See p. 402*)

REPORT OF THE SECOND MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

June 25-28, 1959

Held at

Montreal and Ottawa, Canada

UNITED STATES DELEGATION TO THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

APPOINTED BY THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

EDNA F. KELLY, New York, *Chairman* [1]
FRANK M. COFFIN, Maine [1]
CHESTER E. MERROW, New Hampshire [1]
WALTER H. JUDD, Minnesota [1]
HAROLD D. COOLEY, North Carolina
RUSSELL V. MACK, Washington
WAYNE N. ASPINALL, Colorado
GERALD R. FORD, JR., Michigan
SIDNEY R. YATES, Illinois
FRANK IKARD, Texas
LEONOR K. SULLIVAN, Missouri
THADDEUS J. DULSKI, New York
JOSEPH W. BARR, Indiana [2]
BYRON L. JOHNSON, Colorado [2]
ROBERT R. BARRY, New York [2]

APPOINTED BY THE PRESIDENT OF THE SENATE

GEORGE D. AIKEN, Vermont, *Chairman* [1]
HOMER E. CAPEHART, Indiana [1]
MIKE MANSFIELD, Montana [1]
WAYNE MORSE, Oregon [1]
J. W. FULBRIGHT, Arkansas
THEODORE FRANCIS GREEN, Rhode Island
ALEXANDER WILEY, Wisconsin
HUBERT H. HUMPHREY, Minnesota
FRANK CARLSON, Kansas
FRANK CHURCH, Idaho
J. ALLEN FREAR, JR., Delaware
E. L. BARTLETT, Alaska
DENNIS CHAVEZ, New Mexico [2]
FRANCIS CASE, South Dakota [2]
EDMUND S. MUSKIE, Maine [2]
WINSTON L. PROUTY, Vermont [2]

[1] Steering group.
[2] De facto alternates

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FOREWORD

This report, as required by Public Law 42, 86th Congress, is herewith respectfully submitted. This report describes the important discussions of the second meeting of the Canada-United States Interparliamentary Group, held at Montreal and Ottawa, Canada, June 25-28, 1959, in which delegations from the House and Senate participated.

These meetings mark a significant beginning in what will be a continuing and sustained effort to promote mutual understanding and good will between Canada and the United States. The conclusions in this report emphasize: "As future meetings involve additional parliamentarians from both countries, the work of the group cannot fail to have a helpful effect on the deliberations of the legislative bodies of both countries in deliberations affecting United States-Canadian relations."

EDNA F. KELLY, *Chairman.*

JULY 29, 1959.

SECOND MEETING OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Mrs. KELLY, from the delegation of the U.S. House of Representatives to the second meeting of the Canada-United States Interparliamentary Group, submitted the following

REPORT

[Pursuant to Public Law 42, 86th Cong.]

BACKGROUND

The United States and Canada share a common geography. Each of these nations has a common heritage, common interests, and common objectives in domestic, national, and international relations. Each of these sovereign nations has economic, diplomatic, and military problems which directly derive from their close association and from the threat to the free world of the Communist leaders of the Kremlin in their desire to enslave mankind. Their celebrated undefended common border, which is proof to the world of the ability of two nations to live peaceably with each other, nevertheless gives rise to many problems which test their capacity to resolve.

On the executive level of government between Canada and the United States, there has been and is a close relationship. The need for closer understanding on the legislative level has been brought to our attention in the Special Study Mission Report of Representative Brook Hays and Representative Frank M. Coffin[1] which was issued on May 5, 1958, following a study of the relations between the United States and Canada. In this report they recommended exploration of formal recognition of United States-Canadian relationships as a continuing area of interest by a subcommittee or a joint committee. They further recommended periodic visits to each country by the parliamentarians of the other.

Prime Minister Diefenbaker of Canada on June 8, 1958, endorsed the Hays-Coffin recommendation[2] and suggested the formation of an

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[1] H. Rept. No. 1766, 85th Cong., 2d sess.
[2] Speech at Wesleyan University, Middletown, Conn., June 8, 1958.

interparliamentary group. Following this suggestion, Senator Aiken of Vermont introduced Senate Resolution 359 in the U.S. Senate, authorizing a study of the problem of United States and Canadian parliamentary liaison. S. 359 passed the U.S. Senate on August 8, 1958. Following its passage, Senator Aiken visited Canada and undertook discussions with Speaker Michener of the Canadian House of Commons and Speaker Drouin of the Canadian Senate, looking toward the formation of an interparliamentary group and establishing the framework for such an organization. Subsequently, Representatives Hays and Coffin again visited Canada with the approval of the Speaker of the House and held further discussions with Canadian officials concerning the establishment of such a group.

The first meeting of the Canada-United States Interparliamentary Group was held on January 9 and 10, 1959, in Washington.[3]

The delegation from the U.S. Senate was appointed by the chairman of the Senate Foreign Relations Committee and the delegation from the House of Representatives was appointed by the Speaker of the House.

At the January meeting there was discussion of topics of mutual concern to the United States and Canada, of agenda for future meetings, and of the procedural mechanisms which would be necessary.

On February 18, 1959, the Honourable Edna F. Kelly introduced House Joint Resolution 254, authorizing U.S. participation in the Canada-United States Interparliamentary Group, providing procedural guidelines and authorizing the appropriation of funds for the expenses of the U.S. delegations to meetings. The resolution passed the House of Representatives on April 15, 1959, and passed the Senate on June 1, 1959, with amendments. The resolution was approved by the President on June 11, 1959, thereby becoming Public Law 86-42.

At the January meetings an invitation was extended by the Canadian group to the U.S. delegation for meetings to be held in Montreal and Ottawa in connection with the opening of the St. Lawrence Seaway. The invitation included 24 U.S. representatives.

The President of the Senate named the following as representatives of the Senate: Senator George Aiken (chairman), Senator J. W. Fulbright, Senator Theodore Francis Green, Senator Alexander Wiley, Senator Hubert Humphrey, Senator Homer Capehart, Senator Mike Mansfield, Senator Wayne Morse, Senator Frank Carlson, Senator Frank Church, Senator J. Allen Frear, and Senator E. L. (Bob) Bartlett; and the Speaker of the House of Representatives named the following Members to the House of Representatives group: Representative Edna F. Kelly (chairman), Representative Frank M. Coffin, Representative Chester E. Merrow, Representative Walter H. Judd, Representative Harold D. Cooley, Representative Russell V. Mack, Representative Wayne N. Aspinall, Representative Gerald R. Ford, Jr., Representa-

[3] The members of the Canadian delegation to this meeting were: Hon. Mark Drouin, Speaker of the Senate; Hon. William R. Brunt of Hanover, Ontario; Hon. Sydney John Smith of Kamloops, British Columbia; Hon. Roland Michener, Speaker of the House of Commons; Hon. Lionel Chevrier, Member for Laurier; Hazen Argue, Member for Assiniboia; William L. Houck, Member for Niagara Falls; Erik Nielsen, Member for Yukon, and Richard D. Thrasher, Member for Essex South.

The members of the U.S. delegation were: Senator George D. Aiken, Vermont; Senator Homer Capehart, Indiana; Senator Mike Mansfield, Montana; Senator Wayne L. Morse, Oregon; Representative Edna F. Kelly, New York; Representative Frank M. Coffin, Maine; Representative Chester E. Merrow, New Hampshire, and Representative Walter H. Judd, Minnesota.

These delegates constitute the steering group of the Canada-United States Interparliamentary Group.

tive Sidney R. Yates, Representative Frank Ikard, Representative Leonor K. Sullivan, and Representative Thaddeus J. Dulski.

The Canadian delegation was composed of the following: From the Canadian Senate: Speaker Mark R. Drouin, Hon. William R. Brunt, Hon. Lionel Choquette, Hon. Mrs. F. E. Inman, Hon. Norman Lambert, and Hon. Sydney J. Smith; from the House of Commons: Speaker Roland Michener, Miss Margaret Aitken, Mr. Richard A. Bell, Mr. Lloyd R. Crouse, Mr. Erik Nielsen, Mr. Arthur Smith, Mr. R. D. Thrasher, Mr. Egan Chambers, Mr. W. L. M. Creaghan, Mr. Paul Martineau, Mr. H. C. McQuillan, Mr. George R. Muir, Hon. Lionel Chevrier, Hon. Paul T. Hellyer, Mr. A. Denis, Mr. Alan A. Macnaughton, Mr. Gabriel Roberge, and Mr. Hazen Argue.

JUNE 25-28 MEETINGS

The second meeting of the Canada-United States Interparliamentary Group took place in Montreal and Ottawa, June 25 through June 28. Meetings were held in Montreal on June 25 and 26, and in Ottawa on June 27. In addition to the above-mentioned delegates, Senators Dennis Chavez, Francis Case, Edmund S. Muskie, Winston L. Prouty, and Representatives Joseph W. Barr, Byron L. Johnson, and Robert R. Barry served as de facto alternates.

Two plenary sessions were held, one at the opening of the meetings and the other at the close. The remaining sessions were broken down into three sections each. Each section was composed of eight Canadian representatives and eight United States representatives. Each of the sections was devoted to one of the main agenda items; that is, (1) defence and defence production, (2) economic and trade problems, and (3) boundary waters. In each case, since the Canadians were the hosts to this meeting, a Canadian delegate served as chairman of the panel while two U.S. delegates were named for each meeting to serve as associate chairmen. The defence section was chaired by Speaker Drouin of the Canadian Senate. The associate chairmen for the United States were Representative Edna F. Kelly, and Senator George D. Aiken. The economic and trade problems section was chaired by Speaker Roland Michener of the Canadian House of Commons, while the associate chairmen for the United States were Senator Wayne Morse (Oregon) and Representative Walter H. Judd (Minnesota). The boundary-waters section was chaired by Mr. Erik Nielsen, member of Parliament, and the associate chairmen were Senator Hubert H. Humphrey (Minnesota) and Representative Frank M. Coffin (Maine).

Under the procedures adopted by the group at the first meeting in January each delegation is to make a report to its own legislative body. It was generally agreed at that time and reaffirmed at the June meetings that the delegations would not make recommendations to their respective legislatures. The reasoning behind this decision is that the group is primarily a forum for discussion of mutual problems and a mechanism whereby mutual understanding can be furthered. It is the purpose of these meetings to enable the legislators of the respective countries to become better acquainted with each other's problems and thereby to bring more knowledge and understanding to bear in the consideration of legislation which bears on relationships between the United States and Canada.

Similarly, the group followed the rules laid down at the January meetings with respect to chairmanships. Under this procedure the host country provides the chairman for each meeting, while the chairmen from the visiting delegation are jointly responsible for the responses of their respective delegations. Pursuant to understandings reached between the U.S. Senate and the U.S. House of Representatives, future meetings in the United States will be presided over by a "chairman for the meeting." The "chairman for the meeting" will be the presiding officer, but he will be assisted by and equally responsible with the co-chairman from the other U.S. legislative body. The "chairmanship for the meeting" will rotate between the U.S. Senate and the U.S. House of Representatives.

Each section made a report of its work to the final plenary session. These reports, which will not be published, endeavour to summarize the discussion and conclusions of the section. A press release (communiqué) was issued jointly by the co-chairmen of each delegation, at the conclusion of the final plenary session. Much of the material contained in the reports is contained in the press release, a copy of which is appended. (See p. 9.)

DEFENCE MATTERS

The group concluded that there is a broad measure of agreement between Canada and the United States on basic defence policies and on measures to implement that policy, and that there is an unusual degree of interdependence between Canada and the United States in the defense field arising from the problem of defending the North American Continent. There was general realization that the defence problems of the United States and Canada are so inextricably intertwined that, for all practical purposes, the two countries should, in this area, be considered as a single entity. The group stressed the need for legislators to have maximum access to defence information consistent with security considerations. This necessity arises from the responsibility of legislators to make decisions relating to defence expenditures.

The Canadian group placed particular emphasis on the desirability of utilizing Canadian engineering skills and industrial capacity in defence production, both in the production and in the research and development field. The U.S. representatives agreed that there was considerable merit to the Canadian point of view but stressed that implementation of such a policy must of necessity be subject to numerous practical considerations.

The group was agreed that there is a need for exchange of views between Canadian and U.S. legislators on matters of common concern in the defence field so that they may discharge their responsibilities more effectively. The group was of the opinion that the formation of the interparliamentary group is a welcome development in this area.

The group discussed numerous other topics including the need for manned aircraft in the air defence of the continent, problems arising from the stationing of U.S. troops in Canada, control and storage of nuclear warheads, development of the Alaskan-United States Highway and channels of communication between the United States and Canadian Governments on defence matters.

ECONOMIC AND TRADE MATTERS

The section on economic and trade problems discussed problems between the United States and Canada arising from trade in oil, gas, uranium, lead and zinc, copper, nickel, iron ore and aluminum.

Oil.—The Canadians expressed satisfaction that the United States had exempted Canada from the mandatory import controls on crude oil and expressed the hope that the exemption in favor of Canada would continue. Concern was expressed by the Canadians that the U.S. decision might be frustrated by administrative regulations. In the opinion of the U.S. members, the exemption in favor of Canada was an important precedent. The view was expressed by the U.S. members that there seemed to be no foreseeable probability of a reimposition of import controls on Canadian oil. The Canadians also urged the removal of the current 10 cents per barrel import duty on Canadian oil which, in their opinion, places Canadian producers at a serious economic disadvantage. The U.S. members, however, pointed out that the present oil surplus creates serious economic difficulties in some parts of the United States. There was general agreement that the oil problem must be considered on a continental basis.

The U.S. delegation pointed out that Canadian oil can move economically into certain portions of the United States. They added, however, that in the event oil supplies were to be imperiled by political disturbances in other oil-producing regions of the world, it might be essential to move U.S. oil to Europe, thereby creating an even larger American market for Canadian oil. In the opinion of some U.S. delegates this is a security factor which cannot be overlooked, and it must be taken into consideration in the oil supply pattern.

Natural gas.—The section discussed the difficulties attending efforts to export Canadian natural gas to deficiency areas in the United States. The principal difficulty is the delay in securing administrative approval for such transactions. The Canadians suggested that the Federal Power Commission be authorized to admit as evidence material which is earlier submitted to and accepted by the Canadian Energy Board. Such a process would reduce the time for administrative decision and would simplify the administrative procedure.

Uranium.—Current overproduction of uranium creates serious economic difficulties in both the United States and Canada. The Canadian members expressed the hope that the United States would continue to buy substantial quantities of Canadian uranium even after the expiration of the present long-term contracts, most of which come to an end in 1962 and 1963. The Canadians pointed out that Canadian production of uranium had been expanded at the request of the United States when there was a deficiency in uranium. Now that there is an oversupply, the Canadians believe that their producers should not be foreclosed from the market.

The U.S. delegates pointed out that the United States and Canada each contributed what they had in order to meet a common threat during the period when uranium production was being expanded. Canada contributed its raw materials, while the United States contributed its processing capacity, weapons know-how, and capital.

Some members on the U.S. side suggested as a solution the scaling down of quantities currently being delivered under the Canadian long-term contracts with a concurrent extension of these contracts

into the future. The problems connected with the marketing of uranium were discussed at considerable length.

The U.S. delegates alluded to the worldwide power shortage. In view of this power shortage the long-term prospects for uranium production are good. It is inevitable that uranium will become a source of large-scale power and will thereby help meet the shortage. Consequently, in their view the long-term prospects for Canadian uranium are good.

Lead and zinc.—The Canadians expressed concern over the recent imposition of import quotas on lead and zinc by the United States. Fear was expressed for the future of Canadian producers if import quotas are maintained. The Canadian members also forcefully contended that the U.S. restrictions on lead and zinc imports were contrary to the obligations of the General Agreement on Tariffs and Trade. Some U.S. members suggested that an alternative method might be a combination of production subsidies and of a mandatory increase in the tariff. The group was in general agreement, however, that lead and zinc problems should be considered on a continental basis and from a long-term point of view.

It was the general consensus that in the long run economic factors are such that the Canadian mines should be able to sell lead and zinc profitably to the United States.

Copper.—The Canadian members were apprehensive of the possibility that import controls might be introduced on imports of copper into the United States. Apprehension was also expressed that the copper market may be further affected by sales from U.S. strategic stockpiles. The U.S. delegation expressed the view that there was little likelihood that copper would be released from the stockpiles since there would be no substantial economic advantages to the United States from such action.

Iron ore, aluminum, and nickel.—Iron ore: The U.S. delegates pointed out that the opening of the St. Lawrence Seaway may very well slow down the utilization and sale of low-grade U.S. ores since the great U.S. deposits of high-grade ore are fairly well depleted. Considerable expense was incurred by the United States in the development of the lower grade ores. Now that relatively high-grade Canadian ore is available, the U.S. delegation believes that some steps should be taken to insure utilization of the U.S. deposits. The Canadians are disturbed at the growing competition from Chilean and Brazilian mines developed with U.S. capital.

Aluminum: The Canadian members pointed out that Canadian production of aluminum was only 55 percent of capacity while U.S. production is being maintained at approximately 85 or 90 percent of productive capacity. The Canadians suggested that the United States should buy more Canadian fabricated aluminum products.

Nickel: The recent entry into production of U.S. mines in Cuba has caused concern in Canada. The Canadians are also disturbed that unrefined Cuban nickel enters the United States free of duty while Canadian exports in the form of refined metal are subject to duty.

General considerations.—It was generally recognized that marketing problems are similar on both sides of the border and that they should be considered on a long-term continental basis.

Some of the U.S. delegation was of the opinion that the long-term prospects for Canadian minerals and sources of energy are good.

Whatever the immediate hardships suffered by the Canadian extractive industries, Canada does have huge reserves of minerals and energy sources which are not in short supply when viewed on a long-range basis. Furthermore, Canadian production will be more efficient than production in other areas of the world. Consequently, in their opinion the long-term prospects are in favor of the Canadian producers.

The suggestion was made that a possible solution might be the establishment of a continental common market between Canada and the United States for basic minerals. It was further suggested that this possibility might be extended to all Western Hemisphere countries.

Mention was made of the initiative taken by the United States in establishing an Inter-American Development Bank.

BOUNDARY WATERS MATTERS

The group, meeting as it did in connection with the dedication of the St. Lawrence seaway, took adequate notice of the unprecedented achievement of both countries which made possible the completion of one of the world's greatest engineering projects.

This achievement and indeed these meetings are a good omen of further co-operation and the achievement of satisfactory solutions to the many problems in this area.

The group agreed that the jurisdiction of the section on boundary waters should include practically all boundary matters, such as communications, the utilization and conservation of water resources, recreation, wilderness areas, etc. It was further agreed that boundary waters should be conserved and utilized on a basis which would be fair to both countries and in such a manner as to confer maximum benefits on both countries.

The group agreed that unilateral action should not be taken in legislative or administrative matters affecting the interests of both countries without entering into discussions aimed at reconciling divergent views.

It was agreed that the steering group of the Canada-United States Interparliamentary Group should explore the adequacy of existing bodies and procedures having jurisdiction over boundary-waters problems, specifically the Great Lakes and St. Lawrence seaway, and report its findings with suggestions to the group.

The group concluded that it would be desirable for the International Joint Commission to finalize its plans for the joint development of the Columbia River so that the optimum development of the Columbia Basin might get underway as soon as possible.

A presentation was made to the section on the problem of the Chicago diversion and the group expressed its hope that consultation between the United States and Canada on this subject might lead to constructive proposals. The group recommended that the steering committee of the Canada-United States Interparliamentary Group collect all existing reports, studies, and other data relating to problems of pollution, recreation, conservation, power utilization, industrial development, port facilities, and navigation in the Great Lakes area. It was recommended to the steering committee that it review and evaluate this material looking toward the making of further suggestions at the next meeting of he steering committee.

The group noted with interest the pending economic feasibility studies of the Passamaquoddy tidal power project and noted the possibility that the study may indicate that mutual benefits will accrue to areas in both countries if the power could be made available. Mention was also made of the preservation of a Minnesota wilderness area and the development of mutually beneficial electric power grids along the international border.

The group noted that many of the irritations between the United States and Canada are frequently the product of fundamental differences which exist between our two systems of government.

CONCLUSION

The House section of the Canada-United States Interparliamentary Group draws the following conclusions from this second meeting:

1. The promise of fruitful deliberations held out by the preliminary meeting in January was completely fulfilled.

2. The discussions, both in the three working groups and in the plenary sessions, showed on the parts of the participants from both nations a moderation and sensitivity to the problems of the other nation that made possible to a remarkable degree the outlining of substantial areas of agreement, without prejudice to the positions of either nation on controversial issues.

3. The ample opportunity afforded for full discussion of divergent views resulted in new knowledge and understanding on the part of all delegates.

4. As future meetings involve additional parliamentarians from both countries, the work of the group cannot fail to have a helpful effect on the deliberations of the legislative bodies of both countries in deliberations affecting United States-Canadian relations. In order to take advantage of the experience gained by participants in this second meeting, future delegations should include a substantial number of those who have participated in previous meetings. Such a step will insure continuity of knowledge and interest.

5. The informal and workmanlike manner in which the sessions were conducted made a favorable impression upon the Canadian press and public. A sensitive editorial in the Ottawa Journal on June 30 reflected the impression in these words:

> We do not at all expect that because of these Ottawa-Montreal meetings, with U.S. Congressmen and Canadian MP's talking frankly, honestly and realistically about common problems, that from here on Washington is going to do everything we would like it to do about our uranium or our oil or about other things which concern us. What we may expect, though, is that when such questions come before the Congress there will be quite a few there who will have a better understanding of Canada's position. (See appendix, p. 11.)

6. In like manner it may reasonably be anticipated that problems affecting the United States and questions affecting U.S. and Canadian relations will receive more sympathetic consideration and understanding in the Canadian Parliament.

7. The atmosphere and content of the discussions and their impact on the participants and the public confirm, in our opinion, the judgment of the Congress in passing House Joint Resolution 254.

APPENDIX

COMMUNIQUE

The Canada-United States Interparliamentary Group, consisting of twenty-four congressional and twenty-four parliamentary representatives from the two countries, has met for the past three days in Montreal and Ottawa. The two-day session in Montreal had been timed to coincide with the formal opening of the St. Lawrence Seaway, which all the delegates attended.

At a plenary meeting, the Group agreed that it was not its function to make recommendations as a body. Each national delegation will report as it thinks fit to its respective authorizing bodies.

Three committees were created to examine the main items of the agenda for the talks, as agreed in advance, under the following headings:

(1) Joint defence arrangements and problems, and co-operation in defence production.

(2) Economic and strategic significance of production and trade in minerals such as oil and gas, base metals, uranium and iron.

(3) Boundary Waters.

The Committee on Defence and Defence Production examined the basic factors in Canada-United States defence relationship. It noted with satisfaction some of the results of Canada-United States defence co-operation, as for example the establishment of radar-warning lines and North American Air Defence Command, and recognized the significant contribution these joint efforts were making to the defence of the peoples and resources of the continent. There was complete agreement that the best hope of avoiding a nuclear war rests in the collective determination of the free world to resist aggression and in the maintenance of strong deterrent forces. In this context, Canada-United States co-operation in air defence assumed special importance.

In the field of defence and defence production, it was recognized that there is a unique degree of interdependence, requiring the best use of the resources of the two countries with the minimum duplication of effort. Special attention was given to the question of what constituted a proper sharing of defence costs in the common effort.

The delegates noted that the missile threat to North America is increasing and that increased attention must be given to that threat. There could, however, be no question of dispensing with anti-bomber defences in the immediate future. The delegates were confident of the ability of United States and Canadian scientists and technicians to surpass Soviet achievements in the missile field.

It was recognized that adequate defence planning could be accomplished only by means of regular consultations, at all levels of government. Due weight must be given in such consultations to political and economic, as well as military, factors.

As it is the responsibility of legislators to make decisions relating to defence expenditures, the Group stressed the need for Congress and Parliament to have the maximum access to defence information consistent with security considerations.

Discussions in the working committee on strategic minerals took into account some of the major factors underlying Canada-United States economic relations, including Canada's high degree of dependence on external trade and the economic implications of the concept of integrated North American defence.

In their consideration of the oil question, the Canadian delegation expressed satisfaction at the recent exemption of Canadian oil from the United States mandatory import controls, and the hope that as a result Canadian crude oil would have access to the United States market on a freely competitive basis. With respect to natural gas, it was recognized that the major problem centred around the delays in processing applications for licences. The view was put forward that through co-operation between the Federal Power Commission of the United States and the National Energy Board shortly to be established in Canada, this problem might be overcome.

The Committee's discussions ranged over a wide variety of base metals. There was recognition that the problems in many minerals were similar in nature on both sides of the border, and had their origin in a temporary situation of world-wide over-production. The problems with respect to the marketing of uranium, lead and zinc, are particularly acute. It was thought that in order to control and limit the harmful consequences of the current over-abundance of certain minerals, the problem of marketing these commodities should be considered on a continental basis and from a long-term point of view.

The Working Group on Boundary Waters examined a number of matters in an atmosphere of cordiality and frankness. It was noted that, in the case of Chicago diversion and the regulation of pilotage on the Great Lakes, intergovernmental consultations had either been proposed or were in progress and the hope was expressed that these consultations would lead to constructive proposals that would prove mutually satisfactory. The Group noted that industrial development and seaway traffic in the Great Lakes region will likely give rise to complex problems in such fields as pollution, recreation, conservation, power utilization, industrial location, port facilities and navigation. These problems will be of mutual concern to the United States and to Canada; to states as well as to provinces. Further study of these problems was indicated. In so far as the Columbia River was concerned, the Committee reported its satisfaction at recent progress made by the International Joint Commission and hoped that, before long, the Commission would be making its recommendations to governments so that the governments concerned would be enabled to conclude arrangements permitting the development of the Basin to get under way at an early date. Such matters as those relating to the Minnesota wilderness area and the Passamaquoddy Development were introduced as possibly meriting further consideration at a future meeting.

The Group as a whole in the course of general discussions examined the origin of some current misunderstandings and noted that some at least of these might be attributable to the different forms of govern-

ment. It was considered that much could be accomplished by encouraging legislators of the two countries to consult with and seek the advice of members who have had the opportunity of the mutual exchanges of views which the meetings of the Canada-United States Interparliamentary Group provide.

OTTAWA, *June 27, 1959.*

[Editorial from Ottawa Journal, June 30, 1959]

WHEN SENSIBLE NEIGHBOURS SIT DOWN TO CHAT

One of our bad habits of recent years has been to expect too much from international conferences, and it may well be that we are repeating the error in the case of that Canada-United States Interparliamentary Group which met here this week-end.

However, there were things about this gathering which made it different.

In the first place, these ordinary politicans of the two countries—for that is what they were—did not get together in a forest of microphones under TV lights, did not have a horde of "experts" at their elbows or on their backs, and were not chained to the propaganda or rigid policies of their respective governments. Instead, they just sat down informally to have a chat about the problems of their respective countries about how such problems flowed over from one country to the other, and about the practical difficulties involved for politicians who could not ignore easily pressures from constituents.

This was invaluable. For there is far too much assumption in Canada that Canadian problems are the only problems, that politicians in Washington should always be ready to do what we want them to do. We do not seem to understand, judging by a lot of what is said and written, that American politicians have their problems, too, and that often the things which we ask them to do are precisely the things which their own constituents insist they must not do.

It is when such things are understood, when problems are properly identified, that conferences get a chance to succeed.

We do not at all expect that because of these Ottawa-Montreal meetings, with U.S. Congressmen and Canadian MP's talking frankly, honestly and realistically about common problems that from here on Washington is going to do everything we would like it to do about our uranium or our oil or about other things which concern us. What we may expect, though, is that when such questions come before the Congress there will be quite a few there who will have a better understanding of Canada's position.

That, in itself, should be a considerable gain.

APPENDIX "C"

(*See p. 402*)

February 19, 1960

Program for Meeting of the
Canada-United States Interparliamentary Group

April, 1960

Wednesday, April 20	Meeting with New York Stock Exchange and Port Authority officials—lunch, sightseeing for ladies. Evening—Canadian delegation arrives Washington.
Thursday, April 21	10:00 am—Plenary session, 4221 New Senate Office Building. 12:30 pm—Senate luncheon, Old Supreme Court Room, Capitol. 3:00 pm—Committee meetings. 6:00 pm—Canadian Embassy reception.
Friday, April 22	10:00 am—Committee meetings. 12:30 pm—House luncheon. 2:30 pm—Visit House and Senate. 3:30 pm—Plenary session, 4221 New Senate Office Building. 6:00 pm—Press conference. 7:30 pm—Senate-House dinner, black tie.
Saturday, April 23	9:00 am—Parliamentarians depart Washington National Airport. 12:00 noon—Arrive Offutt AFB, Omaha, Nebraska (Strategic Air Command Headquarters) Wives of Canadian delegation depart Washington.
Sunday, April 24	9:00 am—Depart Offutt AFB 11:00 am—Arrive Colorado Springs (Continental Air Defence Headquarters)
Monday, April 25	9:00 am—Canadian Parliamentarians depart Colorado Springs. 4:00 pm—Arrive Ottawa. (Members of Congress will fly directly to Washington)

THE SENATE

Thursday, March 24, 1960

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

Prayers.

RESTAURANT OF PARLIAMENT

JOINT COMMITTEE—CHANGE IN COMMONS MEMBERS

The Hon. the Speaker informed the Senate of the receipt of a message from the House of Commons stating that the name of Mr. Herridge had been substituted for that of Mr. Martin (Timmins) on the Joint Committee on the Restaurant.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of Park Steamship Company Limited, for the year ended December 31, 1959, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Report of the Department of Public Works, for the fiscal year ended March 31, 1959, pursuant to section 34 of the Public Works Act, Chapter 228, R.S. 1952. (French text).

Report of the Proceedings under the Trans-Canada Highway Act, for the fiscal year ended March 31, 1959, pursuant to section 9 of the said Act, Chapter 269, R.S. 1952. (French text).

NATIONAL ENERGY BOARD BILL

FIRST READING

Hon. W. M. Aseltine presented Bill S-26, to amend the National Energy Board Act.

Bill read first time.

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

Hon. William R. Brunt: Honourable senators, in view of the fact that a great emergency exists with respect to one of the amendments proposed in this bill, and because it is imperative that the bill be passed through the Senate and the other place and given royal assent by March 31, I am asking for leave of the Senate to proceed with the second reading now.

Hon. T. A. Crerar: Honourable senators, this is a rather remarkable proceeding. It has been known for months that this bill would be introduced. Why does it come to us now, on the 24th day of March, with our being told it is a matter of great urgency and that it is very important to have it approved by Parliament, and royal assent secured, before the end of the month? I, for one, wish to protest against this. If there is an urgency, why was that urgency not taken note of by the Government weeks ago, so that we might have an opportunity to discuss, consider and examine into what is a very important bill? I really must object to this procedure. On two or three previous occasions when legislation has been brought here second reading has been asked for at once in order to meet some extraordinary situation. Frankly, I do not think that this is treating the Senate with the courtesy it deserves.

Hon. Mr. Brunt: Honourable senators, I did everything possible to have the bill introduced here before today. If I have not the consent of the house, I cannot proceed with the second reading.

Hon. W. Ross Macdonald: I agree with all that has been said by the honourable senator from Churchill (Hon. Mr. Crerar). It does seem unusual that this bill did not reach us before March 24, when the Government has known since January 14 that the licences which the bill proposes to extend were due to expire on March 31. I do not know what caused the delay, but for some reason or other the bill was not brought in here until today. However, while I agree with everything that the honourable senator from Churchill said, I realize we are faced with the problem that a number of licences—I do not know how many—will expire on the 31st of this month unless this bill is passed by both houses and given royal assent by that date.

Hon. Mr. Reid: Are you sure the licences cannot be extended?

Hon. Mr. Macdonald: Under the present act the Government has no power to extend them.

Hon. Mr. Reid: What about the National Energy Board? Could it not extend the licences?

Hon. Mr. Macdonald: As the act now stands there is no power vested in the National Energy Board to extend the licences.

Hon. Mr. Aseltine: They could be extended by order in council, could they not, under the National Energy Board Act?

Hon. Mr. Macdonald: Yes, but that cannot be done now, and that is the problem with which the house is faced. Are we going to tell all these companies that they will have to be out of business until the bill goes through both houses? It will be almost impossible to do otherwise unless the bill is considered here this afternoon. Whether the

Senate will feel disposed to give the bill second reading this afternoon is another question. I have not had an opportunity to give full consideration to the bill, but from what I do know about it I would agree to the Government's proceeding with second reading this afternoon. If the Senate deemed it advisable to give second reading this afternoon, I for one would insist that the bill go to a committee.

Hon. Arthur W. Roebuck: Honourable senators, I saw this bill for the first time only a moment ago. Before ruling on application for licences the National Energy Board may have to hold hearings, and so on, but I understand it has power to grant or extend licences and that it is its duty to exercise that power. However, the board has given us notice that it can't do it, or thinks it can't do it, or won't do it, or something of that kind. I am in a difficult position because of not knowing enough about the situation. We are told that unless we pass this bill the export of power from Canada to the United States will cease on April 1. That would be a disaster. We just simply cannot allow that to happen.

Hon. Mr. Reid: It won't.

Hon. Mr. Roebuck: It may be that we should criticize the Government or the National Energy Board or somebody else for putting us in the present position, but it is perfectly obvious that we cannot permit the law to fail and the export of power that has been going on for years to cease. I know something about that as a former member of the Ontario Hydro-Electric Power Commission.

I suggest that the honourable senator who is sponsoring this bill (Hon. Mr. Brunt) be permitted to tell us the story. I should like to hear his speech right now, and then I might be in a better position than I am now to judge whether second reading should be given today. I should like to hear the speech of the honourable senator.

Hon. Mr. Brunt: Agreed.

Hon. Wishart McL. Robertson: It seems to me that the point raised by the honourable senator from Churchill (Hon. Mr. Crerar) is very reasonable. This house is entitled to at least a clear explanation by the honourable senator who is sponsoring the bill (Hon. Mr. Brunt) as to why there was such a delay in bringing it here.

Hon. Mr. Brunt: I cannot give that.

Hon. Mr. Robertson: He said that he had tried to get it here earlier. I would like an explanation as to why his efforts were unsuccessful. I think we are entitled to that.

Hon. Mr. Brunt: I cannot tell honourable senators why the bill did not come over here before this. I did everything within my power to get it here, and it did not come until today.

Hon. Mr. Robertson: I do not think that is good enough, honourable senators. The sponsor of the bill is a representative of the Government, and I think we are entitled to a clear explanation. If the honourable senator has not the information, he should get it, and take us into his confidence as to why there has been this delay.

Hon. Mr. Quinn: Honourable members, may I point out that not only this piece of legislation but many others have been delayed in coming to the Senate because of obstruction in the other house. We are being blocked on everything. For instance, the divorce bills are being blocked by two members of the other house who are holding up that whole business.

Hon. Mr. Robertson: But this is a Senate bill.

Hon. Mr. Crerar: Honourable senators, as far as I am concerned I am not going to veto second reading of the bill today—that is, I am not going to request that it stand over, as any senator has the right to do—but I do wish to suggest again to the Government, through the Leader of the Government in this house (Hon. Mr. Aseltine), that it endeavour hereafter to get its legislation over here promptly. This is not the first occasion on which this kind of thing has happened.

Hon. Mr. Aseltine: It does not happen very often. I do the best I can.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Aseltine: I do my best to make it possible for every bill that comes here to receive full consideration, and I am sure that this one will be thoroughly considered before it is passed. It just happens that, in my opinion, the National Energy Board has been so busy dealing with applications for licences and that kind of thing that this matter of the expiry date has been overlooked. If we do not proceed with second reading of the bill today we can sit tomorrow and Monday and Tuesday, and give the bill all the consideration that honourable senators want to give it.

Hon. Mr. Quinn: Why not sit Friday and Monday?

Hon. Mr. Crerar: Let me say at once that I have no intention whatever of suggesting that any fault lies with the Leader of the Government forces in this house (Hon. Mr. Aseltine).

Hon. Mr. Aseltine: Thank you very much.

Hon. Mr. Crerar: I am quite certain that he has done everything he could to get the bill here before this but the Government has the responsibility for directing the business of Parliament.

Hon. Mr. Aseltine: I thought I was doing pretty well in having the bill initiated in the Senate.

Hon. Mr. Crerar: Certainly you were. But it is rather extraordinary that not once before, but several times, we have been presented with important legislation and told that we must get it through immediately. That is what I object to, and I hope this will be the last occasion on which such a protest will have to be made.

Hon. William M. Wall: Honourable senators, it has now been possible for me to read this bill for the first time. Section 2 amends section 99 of the National Energy Board Act by adding a paragraph, which says:

> A licence for the exportation of power . . . shall . . . be deemed to expire on the 31st day of December, 1961, unless on any earlier day a licence for the exportation of power . . . becomes effective . . .

And section 3, of the bill provides:

> Sections 1 and 2 shall come into force on the day this act is assented to, except

And notice this interesting exception:

> that if that day is after the 30th day of March, 1960, section 2 shall be deemed to have come into force on the 30th day of March, 1960.

That is a very interesting retroactive aspect, which I think deserves the attention of honourable senators in view of the fact that it is now being stated that this bill must be passed by March 31.

Hon. Mr. Roebuck: Honourable senators, may I say just another word? I think we ought to give the bill second reading today, and certainly we should hear what the honourable senator has to say.

But I rise now to protest again the suggestion by the Leader of the Government (Hon. Mr. Aseltine) that if we do not give it second reading today he will hold us here over the week-end. Such a threat has been made in the past, and I have protested against it. I am ready to stay here and do the business of the house as long as the house remains in session, but I do not think there should be held over our heads the threat that we have to stay here unless we give consent to second reading today. I will give no consent under those circumstances, where the consideration of public business is involved.

Hon. Mr. Aseltine: I think I said we could sit tomorrow.

Hon. Mr. Roebuck: Your suggestion was that if we did not give consent today we would have to sit here tomorrow and not be able to go home. I do not like such a suggestion.

Hon. John T. Haig: Honourable senators, may I say a word? This house has got into the habit of not sitting on Fridays and Mondays. I hesitate to say what I am about to say, but I well remember when we used to sit five days a week, and when we had no business to do we adjourned for two weeks. That is what happened when I was sitting on the other side of the chamber, and I was there a lot longer than I have been on the Government side.

Hon. Mr. Roebuck: You will be back.

Hon. Mr. Haig: The time was when, if I did not get up and fight about adjournments on Fridays and Mondays, I was afraid I would lose my job.

I appreciate what the honourable Leader of the Opposition (Hon. Mr. Macdonald) is trying to do. I know very little about the job of the Leader of the Government in this house, but I do know something about the business of the Leader of the Opposition. Let me say that I do not think the Leader of the Government in this instance is trying to be harsh. Throughout the session he has adjourned the house regularly from Thursday until the following Tuesday. That arrangement is of no advantage to me. It just means that I have to hang around Ottawa on Friday and Monday and pretend to be busy. All I do is write letters to people in Winnipeg and elsewhere. Sometimes I go to see my friend the honourable senator from Churchill (Hon. Mr. Crerar). He does not call me the junior senator from Winnipeg when I call on him, although in the house he sometimes forgets that I am the senior senator from that city. I admit, of course, that the junior senator from Winnipeg (Hon. Mr. Wall) does a lot more talking and is a good deal more experienced and brainy than I am, but I am still the senior senator from Winnipeg.

I do not care whether this bill goes through today or goes over to Monday, but I do not think we should lay any charge against the Leader of the Government (Hon. Mr. Aseltine). I have appealed to him two or three times, when there were bills before the house in which I was interested, not to adjourn on Fridays and Mondays, and he has said "I will think about it." But, in spite of the pull I thought I had with him, he never did anything to keep the house sitting on those days.

The honourable senator from Churchill has gone down a little in my estimation when he has called me the junior senator from Winnipeg.

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

Hon. Mr. Haig: I would remind him that I have been here for 25 years, and that is a long time.

My suggestion is that we give the bill before the house second reading this afternoon and postpone further consideration until Tuesday night.

Hon. Mr. Aseltine: We could have a meeting of the Banking and Commerce Committee on Tuesday afternoon.

Hon. Mr. Haig: The Leader of the Government is almost always here, and when he is not he has a very efficient staff to look after his office. I sometimes think his secretary is better than he is. All we need do is let her know what witnesses we want called before a committee and she will take care of the matter. We can get to the bottom of any objection anyone may have to what is being done—

Hon. Mr. Roebuck: Nobody is criticizing the Leader of the Government over this matter.

Hon. Mr. Haig: Very well. I agree that we should adjourn today, but if that doesn't suit you I am willing to sit tomorrow. I am sure some honourable senators have made arrangements for the weekend and we do not want to interfere with them. If I lived in Toronto or Montreal and had a chance to go home for the weekend, I would complain bitterly about being forced to sit tomorrow. I would be glad to return to Winnipeg for two or three days on the weekend, if that were possible.

Hon. Mr. Roebuck: I am willing to do anything that the public business requires.

Hon. Mr. Haig: What I am trying to say is that there is no intention on this side to deliberately upset the present practice. Therefore, I urge the house to give this bill second reading today and have it considered in committee Tuesday afternoon. If the Leader of the Government will make that suggestion, I am sure the Leader of the Opposition will consent to it, and we can have our meeting on Tuesday. In the meantime, if anyone indicates that he wishes to have certain witnesses before the committee, I am sure the Leader of the Government will have them called for Tuesday. On the other hand, if the committee were to sit tomorrow a good many senators would not be here.

Hon. Mr. Brunt: Honourable senators, may I give an explanation of the bill?

Hon. Mr. Macdonald: You should move second reading first.

SECOND READING

Hon. Mr. Brunt: With leave, I move second reading of the bill.

Honourable senators, despite everything that has been said here this afternoon, I maintain that this is a very simple bill, which proposes two amendments to the National Energy Board Act. The first amendment deals with section 61 of the act. This section relates to tolls to be charged for transmission of gas. There is no emergency about this section; it is with respect to the next section to be amended—section 99—that an emergency arises. Section 61, as it now reads, provides for the charging of tolls where gas is transmitted by any company through its line from any place within a province to any place outside the province. Therefore, it would seem that according to the present section 61 the National Energy Board would be excluded from regulating or fixing tolls to be charged on gas which is produced, transmitted and sold within the province of production.

This section as it is now worded raises the question as to who would regulate the tolls to be charged for the transmission of gas which is produced and used entirely within the boundaries of a province. This amendment, therefore, proposes to delete from section 61 of the National Energy Board Act the following words:

> ...from any place within a province to any place outside the province...

With the elimination of these words there will be no doubt that the National Energy Board will have power to fix tolls for the transmission of gas, no matter where the transmission of such gas takes place.

Hon. Mr. Roebuck: Would that include transmission to the United States?

Hon. Mr. Brunt: I understand so, yes.

Hon. Mr. Roebuck: That is pretty serious.

Hon. Mr. Brunt: How do you mean?

Hon. Mr. Roebuck: That is a most controversial proposition.

Hon. Mr. Brunt: The board can fix tolls as far as the border of Canada only.

Hon. Mr. Macdonald: Then it would have nothing to do with tolls for transmission outside of Canada.

Hon. Mr. Brunt: That is right.

Hon. Mr. Macdonald: I understood you to answer the honourable senator's question by saying it could fix tolls on gas going outside of Canada.

Hon. Mr. Brunt: No. The board's rulings apply to transmission of gas to the border only. No board in this country has a right to fix tolls on gas that is transmitted in the United States. We have no Canadian pipe lines that are transmitting gas in the United States. All our pipe lines stop at the Canadian-American border. The American pipe lines take over from there, and their proper authorities fix the tolls that are to be charged by the American pipe lines.

Hon. Mr. Reid: Would this mean that the National Energy Board can control the rates on gas sold in Canada as well as on that going to the border?

Hon. Mr. Brunt: That is right. It means the board can control gas sold anywhere in Canada and at the Canadian border.

Hon. Mr. Horner: What about a wholly-owned Canadian pipe line that passes through the United States?

Hon. Mr. Brunt: I am not aware of any.

Hon. Mr. Horner: What about the one that goes down to Sarnia?

Hon. Mr. Brunt: That is an oil line. The Canadian line stops at the border. The oil is then taken over by an American company and brought to Sarnia, where it is again taken over by a Canadian company. We in this country cannot fix tolls for transmission of gas or oil anywhere in the United States. The power to do that belongs exclusively to the Government of the United States.

Hon. Mr. Reid: This is with respect to tolls on gas only?

Hon. Mr. Brunt: Yes, gas only.

Hon. Mr. Crerar: May I ask a question for purposes of clarification? As I understand it, the proposed amendment to section 61 would remove a restriction in the present law. Under the law as it stands the control by the National Energy Board is confined to gas moving "from any place within a province to any place outside the province"?

Hon. Mr. Brunt: That is correct.

Hon. Mr. Crerar: And the deletion of the words "from any place within a province to any place outside the province" will remove the restriction?

Hon. Mr. Brunt: That is right. At present the National Energy Board has no power to fix a toll for transmission of gas between two points within a province. Deletion of those words from section 61 would remove all doubt as to the power of the National Energy Board to fix tolls.

Hon. Mr. Roebuck: What about the British North America Act? Are we not infringing on the power of the province if we fix rates to be charged in the province?

Hon. Mr. Brunt: I always understood transportation was a matter within the jurisdiction of the dominion Government, under the British North America Act.

Hon. Mr. Roebuck: Only when it extends beyond the limits of a province.

Hon. Mr. Macdonald: That question is one reason why I insist the bill must go to committee.

Hon. Mr. Brunt: Yes, I am going to move that it be sent to committee.

Hon. Mr. Wall: Is it not within the jurisdiction of the utility board of a province to have something to say about the tolls charged exclusively within the province? I concur in what the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has suggested, that we appear to be moving from a strictly interprovincial matter into a provincial matter. Is not that so?

Hon. Mr. Brunt: I think we can get the answer to that question when the bill is being considered in committee.

Hon. Mr. Connolly (Ottawa West): Would the honourable senator allow another question with respect to clause 1 of the bill? In view of what has been said, there is in my mind, at least, and possibly in the minds of a good many senators, a question as to whether or not the National Energy Board has authority to deal with a matter which seems to concern property and civil rights within a province. I think what the honourable senator from Toronto-Trinity asked may come to this: Is clause 1 within the jurisdiction of Parliament? The second question is whether there is going to be conflict between a provincial regulating authority in respect of the transmission of gas within the province and the regulatory authority in the National Energy Board in respect of that gas within the province. I quite agree that this is a matter for the committee. The law officers who have drafted this legislation probably had to consider this. As the honourable sponsor (Hon. Mr. Brunt) has said, this is not one of the emergency features of the bill, but it is certainly something that at first blush calls for some explanation. I think we would all be glad to have evidence on it before the committee.

Hon. Mr. Roebuck: May I make myself clear? I did not say that this would interfere as between two provinces. I asked the question. It strikes me that it may interfere, or it may not. Some recent decisions of the

Supreme Court of Canada are to the effect that carriage by a carrier of either passengers or freight—by an interprovincial organization—from one point in a province to another point within the province, is within the jurisdiction of the dominion.

Hon. Mr. Connolly (Ottawa West): That is the New Brunswick case.

Hon. Mr. Roebuck: Yes, the Winner case, reported in (1954) D.L.R., 657.

For instance, if a pipe line has been declared to be for the general advantage of Canada, then the transmission of gas in that line from one point in a province to another point within that province would be within dominion jurisdiction. Until one knows the whole circumstances, it is difficult to say whether or not the change proposed by this clause would cause argument between the jurisdictions.

Hon. Mr. Brunt: The second amendment in the bill deals with section 99 of the National Energy Board Act. Under that section all licences for exportation of power which were issued under the Exportation of Power and Fluids and Importation of Gas Act are deemed to have been issued under the National Energy Board Act. I understand that all such licences for the exportation of electric power will expire on the 31st day of March next.

Hon. Mr. Roebuck: Did I understand the honourable gentleman to say that this relates to electric power only?

Hon. Mr. Brunt: The first amendment relates to transmission of gas, and the second amendment—the one I am dealing with now —relates to exportation of electric power.

Hon. Mr. Roebuck: Thank you.

Hon. Mr. Brunt: As I have said, all licences for exportation of electric power will expire on March 31 next. This amendment would extend the date of expiry to December 31, 1961. I understand that consideration was given to the making of an application to the National Energy Board to have the matter of the renewal of extension of these licences heard by the board, but owing to the number of applications that were being heard by the board with respect to exportation of gas from this country to the country south of us, the board did not have time to deal with the matter of renewing licences for exportation of power. It is felt by all concerned that if all the licences are extended to December 31, 1961 the board will have ample opportunity to deal with all applications and be able to renew the licences on what it considers to be proper terms.

Honourable senators, those are the two proposed amendments. As I have said, the second is the one in respect to which an emergency exists.

Hon. W. Ross Macdonald: Honourable senators, I have nothing to add at this time. I had an opportunity of seeing this bill before the house met. I received a copy of it at noon today and I spent the noon hour going over it. All the questions which I was going to bring to the attention of the house have already been raised by other honourable senators. I feel that at this time we cannot get any further information on the matters on which I wanted information and, so far as I am concerned, I will approve second reading of the bill today but will insist, as I have already said, that the bill be sent to committee.

Hon. Mr. Roebuck: May I ask one further question of the sponsor? Why extend the licences to December 31, 1961? Surely the board would have time to consider applications by December 31, 1960. We are being asked to extend the licences for something like twenty-one months, which is a long time.

Hon. Mr. Brunt: The board has asked that the date of expiration of the licences be fixed as of December 31, 1961, so that it will have ample opportunity to deal with these matters. Other applications will be coming before the board with respect to exportation of gas from this country, and I think there is a feeling they should have priority. Another point is that in the past the licences have been renewed from year to year, and I think it is the intention and hope of the board to have full hearings at which it will go into all the facts, and afterwards possibly renew the licences for a two- or three-year period rather than ask the companies to come back each year to get what one might consider to be an almost automatic renewal.

Hon. Mr. Pouliot: Honourable senators, everyone should remember that last year it took time for us to approve of the National Energy Board Bill. Some very valuable amendments were made by the Senate, and this could not have been done in one day. It required some time, thought and reflection to come to a satisfactory drafting of the legislation. I would have no objection now to extending the licences, but I would not like any change to be made in the law without further consideration.

The Hon. the Acting Speaker (Hon Mr. Choquette): Honourable senators, the question is on the motion of the Honourable Senator Brunt, seconded by the Honourable Senator

Aseltine, that this bill be now read the second time. Is it your pleasure to adopt this motion?

Hon. Mr. Pouliot: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Transport and Communications.

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY— AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Connolly (Halifax North): With leave, I move that the report be adopted now.

Report adopted.

NATIONAL HOUSING BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report of the committee on Bill C-53, to amend the National Housing Act, 1954:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Beaubien: With leave, I move that the report be now adopted.

Report adopted.

REPORT OF COMMITTEE

Hon. Arthur L. Beaubien, for Hon. Mr. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-53 to amend the National Housing Act, 1954, and had directed him to report the same to the Senate without amendment.

Report adopted.

The Hon. the Acting Speaker (Hon. Mr. Choquette): Honourable senators, when shall this bill be read the third time?

Hon. Mr. Hnatyshyn: I move that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, before I move the usual motion with respect to adjournment, I wish to draw to the attention of honourable senators the fact that they have had the final supplementary estimates in their hands for some time, and that these are being considered in the other place now. If the Senate adjourns over the weekend, as usual, I shall have to throw myself on the mercy of the house once more so that next Tuesday evening we can commence consideration of these estimates. There will also be an interim supply bill, I presume, at the same time.

Hon. Mr. Macdonald: Honourable senators, before unanimous consent is given to proceed with the interim supply bill and the supplementary estimates bill on Tuesday, I want to make it abundantly clear that so far as I am concerned I shall not necessarily agree to second reading of the bills on Tuesday. I will consent to our proceeding with consideration of the bills, but what will happen to them after that, I cannot say.

Hon. Mr. Aseltine: That is what I intended to convey, that by consent we would commence consideration of the bills.

ADJOURNMENT

Hon. Mr. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, March 29, 1960, at 8 o'clock in the evening.

Motion agreed to.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, before the Orders of the Day are proceeded with I wish to thank the honourable senator from Hanover (Hon. Mr. Brunt) for the complete information which he placed on *Hansard* in answer to questions I directed

to him with respect to the Canada-United States Interparliamentary Group. May I suggest that perhaps the Leader of the Government in the Senate (Hon. Mr. Aseltine) and the Leader of the Opposition (Hon. Mr. Macdonald) might give consideration to furnishing an opportunity to debate the basic rules of the Interparliamentary Group or anything else arising out of my questions?

In the meantime, I wish to ask the honourable senator a question on one specific point. I notice that 24 Members of Parliament are to go to Washington early in April. How many members will be from the Senate?

Hon. Mr. Brunt: Six from the Senate.

Hon. Mr. Robertson: Can my honourable friend tell me how the six will be divided between the two parties?

Hon. Mr. Brunt: I understand it has been the custom to divide them equally, three and three.

Hon. Mr. Macdonald: Will the six members include his Honour the Speaker of this House or will he be an additional member?

Hon. Mr. Brunt: The six will include His Honour the Speaker, that is, if His Honour is selected as one of the six.

Hon. Mr. Macdonald: Will he be considered as coming from our side?

Hon. Mr. Robertson: May I ask if the same rule as between the parties is followed in the House of Commons?

Hon. Mr. Brunt: I do not believe so.

Hon. Mr. Crerar: I would expect not.

Hon. Mr. Macdonald: I think in the other house they are divided according to representation in the house. If that practice were followed here it would result in a different proportion from this side.

Hon. Mr. Robertson: And why not?

Hon. Mr. Macdonald: Why not?

Hon. Mr. Robertson: Who decided the division of three and three?

Hon. Mr. Brunt: As far as I know, the two Speakers met and decided on the division.

Hon. Mr. Robertson: I am speaking of the delegation from the Senate only.

Hon. Mr. Brunt: Honourable senators, I am a member of the committee. I did not decide on the division. I did not pick who would go, but I understand that the divisions were decided upon and agreed upon at a meeting of the two Speakers.

Hon. Mr. Robertson: I am not talking about the proportion as between the two houses. I am asking about the proportion as between the two parties in the Senate. Who agreed to the three and three?

Hon. Mr. Brunt: I will put it this way. On the so-called permanent committee there are three members—His Honour the Speaker, the honourable senator from Kamloops (Hon. Mr. Smith) and myself. I cannot recall whether we had a meeting to decide on that feature or not, but I think we were consulted on it.

Hon. Mr. Beaubien: Are these three members that you mention permanent members?

Hon. Mr. Brunt: That was the intention.

Hon. Mr. Macdonald: Honourable senators, I do not want to ask too many questions, but who made them permanent?

Hon. Mr. Brunt: That was agreed upon, as I explained to the honourable senator from Shelburne (Hon. Mr. Robertson).

Hon. Mr. Macdonald: Do I understand it was agreed upon by the three of them?

Hon. Mr. Brunt: No. At the first meeting at Washington it was felt that the original group that went from Canada and the original group of eight chosen by the Americans should form a permanent steering committee, the idea being that such an arrangement would facilitate the holding of these meetings, the arrangement of agendas and the conducting of the proceedings. That was agreed upon at the time, and that is the only agreement that was ever made in so far as members being regarded as permanent members of the committee.

Hon. Mr. Robertson: Does my honourable friend not think it should be left to some authority other than the Americans? Could it not have been referred to this house?

Hon. Mr. Brunt: That is quite possible.

Hon. Mr. Robertson: Is my honourable friend contemplating getting the agreement of this house? I can see that someone must take the initiative, but surely the Senate should have some say in confirming what is agreed upon. I think some provision should be made for letting this chamber decide. However, perhaps the two leaders in the Senate might consider the point.

Hon. Mr. Brunt: I understand that from time to time delegates have been going from the Senate to meetings of NATO, the United Nations, this Canadian-American committee and interparliamentary committees, but I have never heard any discussion in this house on the selection of such delegates.

Hon. Mr. Macdonald: Does my honourable friend know of any permanent member of any of these delegations?

Hon. Mr. Brunt: I do not know whether they are temporary or permanent.

Hon. Mr. Macdonald: My friend knows they are temporary and are selected on each occasion. This is the only instance I know of where members have appointed themselves as permanent members of a committee.

Hon. Mr. Robertson: Delegates to meetings of NATO and the Commonwealth Parliamentary Association report to their respective associations.

Hon. Mr. Brunt: This is certainly a bad day for the senator from Hanover.

Hon. Mr. Robertson: You are equal to it.

Hon. Mr. Brunt: I have explained how the so-called—and I repeat the term "so-called" —permanent members of this committee were selected.

Hon. Mr. Macdonald: Are they permanent temporaries or temporary permanents?

Hon. Mr. Brunt: I expect that very shortly a report will be presented to this chamber with respect to what took place at the meetings held in Montreal and Ottawa in June of last year. Possibly when that report is presented it would be appropriate to discuss this whole matter.

INTERNATIONAL AFFAIRS

EXTERNAL RELATIONS COMMITTEE AUTHORIZED TO REVIEW CANADA'S ROLE

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Thorvaldson:

That the Standing Committee on External Relations be authorized to review the present role of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization;

That the committee have power to send for persons, papers and records.

Hon. Joseph A. Bradette: Honourable senators, it is with hesitation and humility that I rise to speak on the motion of the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), Chairman of the Senate Standing Committee on External Relations, recommending that the committee be authorized to review the present role of Canada in international affairs. That standing committee has already done some excellent work under the capable leadership of its chairman and no doubt its studies will prove beneficial to both houses. I speak keenly on this matter because I had the great honour of being the Chairman of the External Affairs Committee in the House of Commons during the first eight years after the committee was established.

The world situation today is tense. The problems that have to be faced on every continent seem to be getting more and more serious and complicated, and their solution will require the best goodwill that all the nations can put forward.

I was greatly honoured when, last fall, I was chosen as a delegate of the North Atlantic Treaty Organization at a parliamentary conference that was held at Washington, D.C. The conference was under the very capable leadership of the honourable member of the House of Commons for Saskatoon, Mr. Harry F. Jones. I also had the pleasure of the company of the honourable Leader of the Government in the Senate, the honourable senator from Rosetown (Hon. Mr. Aseltine). He was an enjoyable companion, and I must say a great worker too, and I want to pay him this compliment, that he was always in the best of humour. I would also like to remark that we visited three or four of the large sporting goods stores in Washington and I was amazed at the amount of fishing equipment that the honourable senator from Rosetown bought.

I also wish to take this opportunity of thanking the honourable senator from Kamloops (Hon. Mr. Smith) for his generous gift of splendid literature describing British Columbia, particularly his district of Kamloops. He says that in that province is to be found the best fishing in the world. Well, I suggest that the honourable senator from Rosetown pay a visit to the best fishing grounds in the Kamloops district and try out the fishing equipment he bought at Washington.

We were greatly honoured by the presence at the conference of His Honour the Speaker of the Senate, and also by the presence of the honourable senator from Shelburne (Hon. Mr. Robertson) and the honourable senator from Ottawa West (Hon. Mr. Connolly).

Canada took an active part in the proceedings at the conference. For my part, I left most of the work on the main floor to the younger men in the delegation. I concentrated on committee work, and while so engaged met many of the members of the various delegations in attendance.

I made it a point to contact every delegate sent from the ten nations of NATO, and I found in every one of them a great spirit of tolerance. Every one of them realized the serious situation that we are facing in the world today. I was impressed by the wide divergence of opinion bound to be found in an organization of that size. In that organization there is at present a certain amount of tension. One matter that caused a lot of commotion was the NATO command controversy brought on by France. The clearest

statement to date on France's position was made by Foreign Minister Maurice Couvé de Murville, in an address to the National Assembly, in which he said:

> France cannot lightly give to an authority not directly under French orders the right to decide upon a war involving 'the whole of French territory.'

He described the problem as one of great gravity, and one that must be recognized as such by France's allies. That attitude was prevalent at the conference, but I found that the delegates from France were willing to discuss it from every point of view, expressing the hope that Great Britain was behind her. Because the problem is unresolved, France has declined to accede to the American request to store nuclear bombs in France. This also is understandable from a strictly French point of view.

France is not dragging its heels on all NATO matters. The Foreign Minister reported a readiness to consider a common air defence system in western Europe, with full French participation in a network of warnings against air attacks. The sticking point remains the question of command with the authority to start the fighting. Is it a genuine point? France believes so, and her allies understand her feelings. But if a great war were actually imminent would these matters not be reduced to niceties? France would have no choice—nor would the United States, Britain or any other western member of the alliance—as to whether its whole territory were to be involved or not. It would have no choice as to whether or not to fight in the Mediterranean. We would all be in it together with all we had. Mr. Couvé de Murville certainly knows that, as does General de Gaulle. The task is to work out a kind of command that will satisfy France's needs of prestige and sovereignty and that could still act fast and effectively in case of war.

There are many potential crises existing around the world today, of which three are particularly troublesome. They are the Berlin question, the control of nuclear weapons, and communist China's ambitions. While no ready-made solution has been found for any of them, a solution is at least within the realm of possibility.

The first problem I shall discuss for a few minutes is that affecting Berlin.

For more than a year Soviet Premier Khrushchev, with all the orchestration of the communist world power bloc, has been playing variations on a theme. The theme is, "We want Berlin." Answering a question asked in Indonesia, the man from Moscow has put the demand more bluntly and more sweepingly than at any time since the Camp David conversations with President Eisenhower. If Western powers at the summit meeting in May do not accept Soviet plans for making Berlin a "free city", he says his Government will

> ... sign a separate peace treaty with the (East) German Democratic (communist) Republic.

And he added, the guarantees of West Berlin will

> ... cease to be valid because West Berlin stands on territory belonging to the German Democratic Republic.

Thus communism persists in the shamelessly deceitful myths that the East German puppet Government represents the disfranchised people of East Germany, that a patchwork bridge between it and the freely elected West German Federal Republic would be "a settlement among Germans," and that two million West Berliners have no right to determine the government under which they shall live.

The West will do well in the forthcoming meeting to put forth substantially the proposition it has presented before, in a form now reportedly favoured by American Secretary of State Herter, a proposition that all of Germany, East and West, be allowed to vote on whether it prefers to be unified or to continue as two separate countries. Moscow, of course, will reject this, but it will put the western position on record so the world may know what nations favour self-determination of peoples.

In his reply at Djakarta, Mr. Khrushchev came very close to setting a time limit for the action he once threatened in May 1959. President Eisenhower has said the only significant understanding that emerged from the Camp David conferences was that there would be no time limit, no ultimatum, no duress overhanging the summit discussions. If that understanding is violated, what is left of what Moscow chooses to call "the spirit of Camp David"?

The warning in the renewed threat to Berlin is that Western diplomatic and military authorities by now should be decided on what will be their response, if necessary, to the promulgation of a separate peace treaty between Moscow and its puppet régime in East Berlin. The response should be one on which Britain, France, and the United States thoroughly agree.

One proposal has been that in such a circumstance West Berlin should be declared an integral part of West Germany subject to the North Atlantic Treaty guarantees. It might not be necessary to go so far, but it certainly should be insisted that no right exists with, or can be conferred on, the East German Government to cut off access to West Berlin. The move to inaugurate

higher altitude cargo plane flights to West Berlin is one step toward being ready to protect the city's survival, and as such is to be applauded.

Premier Khrushchev's threat to sign a separate peace treaty with East Germany, if the summit talks in May fail to result in agreement, strikes a new note. Mr. Khrushchev has talked in the past of signing a treaty with East Germany if the West Berlin issue is not settled by negotiation. But he has not explicitly linked the action to the first summit meeting. The threat cannot help but create the wrong atmosphere for the May conference.

If the threat is not dissipated the meeting will be held in a climate of pressure and impending crisis, rather than of calm and goodwill. Already, in response to the war of nerves conducted by Premier Khrushchev on the West Berlin problem, the United States has said the aircraft it sends to Berlin will fly higher than the 10,000-foot altitude set by the Russians as a ceiling, though the decision has been postponed.

Ever since he made his first moves on the West Berlin issue in November, 1958, Mr. Khrushchev's objective has clearly been the recognition of the political *status quo* in central Europe and the stabilization of the existing frontiers. Whatever the merits of the objective—and it does have merit as a means of creating political stability in Europe—the method chosen to reach it is almost as important as the goal itself.

Unilateral action and the threat to use force can only create grave tensions. Stable frontiers can best be established by negotiation. Moreover, the special position of West Berlin can in no circumstance be brushed aside. The wishes of 2,500,000 people cannot be ignored, nor their freedom betrayed, without serious consequences to the West's moral position. Even Mr. Khrushchev has, up to a point, recognized the West's vital interest in Berlin's political future by agreeing to make it a "free city". However, his proposals have never included sufficient guarantees to safeguard the people of West Berlin from domination by the East German communist Government.

The main thing at the moment is to try to restore the spirit of conciliation on both sides that prevailed last fall. All threats must be forgotten, and there must be a clear intention to resolve difficulties through negotiation at the summit meetings ahead. Anything less can only increase, rather than relieve, tensions.

Some have said that Germany may not be united for another hundred years. But history of the past has proven that you cannot break up and divide a great nation indefinitely. It seems to me that is as true of Germany as of other nations. No matter how long Russia tries to keep Germany divided, the day will surely come when that great nation will find its freedom.

I often spoke in the other house against tariff restrictions. I spoke in that way because I belong to a part of Canada which, like all the western provinces, is a primary producer, and most of our production has to go to the United States. We have to be very careful when we deal with any matter which affects our neighbours, because they are always present with us. I have in mind what was said during the last two federal elections. I remember too what was said in 1911—I was very young at the time—that we should not have any truck or trade with the Yankees. We have to be very careful not to repeat that, because we are bound together with the great nation to the south of us. She is not an enemy; she is a great friend.

I also remember what happened at the Mont Tremblant meeting where the leader of the Canadian Government wanted to divert a certain amount of trade from the United States to Great Britain. That was a good idea. The British people sent a very bright and intelligent delegation to Mont Tremblant, and during the last days a British representative stated that 30 per cent of the trade we had with the Americans could be transferred to Britain if we accepted free trade with that country. Some of the Canadian ministers who were present at the meeting never fully recuperated from the shock they received when that statement was made. Free trade is an absolute impossibility, but there should certainly be freer trade among the nations of the world.

We are also at the present time negotiating a Japanese treaty. This is a very serious question so far as the western provinces are concerned. We know that today Japan is the biggest purchaser of the grain produced in Western Canada. We do not want to jeopardize that. We do not want to put restrictions on Japan so that country will not have the certain amount of trade they need with Canada. On that problem we have to be very careful and use all the intelligence possible. We have to realize that the world is getting smaller and smaller, and the higher we raise tariff barriers the harder it will be to maintain peace in the world. You have only to read the history of the world to know that unfair tariff terms on countries which had no chance of defending themselves have always caused trouble. These are the things that we must always remember in our deliberations, whether in this house or in the other place.

There is one question I will place before this honourable assembly, and it is a serious one. Do we want our allies to be strong or weak? Do we want division as between the nations of NATO—they are our allies, even if not all of them enjoy the democracy that we have—or do we not want as allies some nations which are not quite so democratic as we are but which favour our way of life? Are we to be prima donnas? I have not met a prima donna, but I hear that at times they have violent tempers. Are we playing fair with those nations? We have to understand the ideas that other nations may have.

When I was a boy going to school in the province of Quebec my French teacher often spoke of *l'Albion perfide,* or perfidious Albion. When I took my primary English later I found that all kinds of names were given to France by people in Great Britain. We must realize that for centuries those great, noble nations fought each other although they were separated by only a small arm of the sea. They fought in Europe, they fought in Asia, they fought in Africa, and they fought on the North American continent.

Then came the resurgence of Germany and we had the *entente cordiale* between England and France. There is no doubt that that was one of the main reasons for the victory of the Allied nations, and that it was of great benefit to democracy, in World War I and World War II. Are we to insist that our allies must be only those with whose point of view we always agree? Some countries desire to be on our side, and it is our duty to welcome them and co-operate with them as far as possible.

Take Turkey in the first World War. We all know how hard she fought for the Germans. We know how hard she fought again in World War II. We may not agree with all she has done against freedom, but Turkey is a forceful bastion against the forces of communism in the Middle East, and is feared by Russia.

Japan was on our side in World War I, but what happened at Pearl Harbour? There were some Japanese in the United States on commercial matters when their country was preparing for the attack on Pearl Harbour. That attack was one of the most horrible things that ever happened in world history. While Japan was supposed to be having discussions with the United States she was preparing for its downfall. Yet, years before the Pearl Harbour attack when a terrible earthquake occurred in Japan, Americans and people from all other civilized countries went there with food, medicines, nurses, and so on. I have heard it said in Japan itself by Japanese: "We do not understand why Pearl Harbour was attacked." Now, we see that Japan is an anchor in the Pacific against the spread of communism in that section of the world.

In the Mediterranean, Greece and Great Britain are having some difficulties over Cyprus, but at the same time the statesmen of those two great countries have found it possible to keep their friendship intact for the benefit of us all.

I now come to Germany. I know this is quite a problem because my own motherland has suffered within a century from three horrible wars with Germany. There was the war of 1870, the war of 1914, in which France lost almost a generation, and the war of 1939. No one can forget those things, but at the same time we have to face the present situation as it exists. Certainly no one could accuse Mr. Adenauer of being a Nazi. If you know his personal history you will know he was removed from his position in Cologne by the Hitler régime, and his family also suffered at the hands of the Nazis. Some people in his Government may have been Nazis, but I doubt that those people will ever be Nazis again.

Nations which are friendly often dispute among themselves and seem to be over-sensitive and exceedingly critical on any differences that arise. Quite a furore was suddenly created when West Germany approached Spain for permission to establish air force training bases in that country, and also approached France for permission to establish military supply depots there. I cannot understand the unfriendly reactions that are generally expressed every time the name of Spain is mentioned. These are prejudices that I cannot understand. They are beyond my comprehension. I wish honourable senators could visit Spain, as I have done. I am not in favour of a totalitarian state, but I would like anyone who visits that country to ask the people there what alternative Franco had. For instance, do you think it would have been better for the communists to have dominated that country? Do you think it would have been better to have had the communists destroy the religion and everything else cherished by the people of Spain? I like to think that the Spanish insurrection will eventually result in the return of democracy to that great nation. Some people might accuse me of being pro-fascist, but I will say to this honourable assembly that Spain is not fascist, but that it is nationalist and Spanish.

Time is short, but I would like to refer to a newspaper article to help illustrate what happened in the Spanish insurrection. This article appeared in the Ottawa French-language newspaper *Le Droit* on June 10, 1949. The

translation is my own, and I want honourable senators to listen, for I know that I am speaking to persons who believe in the principles of charity and understanding. I am the same as other honourable senators when I hear of a rabbi, a Catholic priest or a Protestant minister being persecuted. I know there is something wrong with the nation that persecutes these people. I was proud of the republic to the south of us a few days ago when it unanimously protested against the imprisonment of Monsignor Walsh in China. The Chinese communists tried to have the world believe that Monsignor Walsh was organizing a revolution in that country, and they brought the name of Cardinal Spellman into disrespect, saying that he also was fomenting revolution in China. These allegations cannot be tolerated. They are simply the work of the communist movement. We in the free world believe in free assembly and the right to practise one's own religion, but people do not have this right under the yoke of communism. To illustrate what happened in Spain during the communist revolution I will refer to my own translation of this article I have mentioned. It says:

> The Spanish communist revolution cost the Spanish people dearly. Six thousand lay priests were assassinated, and 20,000 churches were plundered and destroyed.

It is terrible to see men of the cloth—priests, ministers or rabbis—persecuted, for these are men of good behaviour and they are needed in our way of life.

The article goes on:

> The priests were methodically hunted in the mountains by dogs; they were sought after with rage in all their hiding places; they were executed in most places right on the spot and without any other reason than their sacerdotal character. The number of civilians who were assassinated largely because of their political ideas and chiefly on account of their religious ideas amounted to 300,000.

And we must remember this was done without cause. I defy anybody to contradict this. If you go to Spain you will be told this by all sections of the people. The article continues:

> The rightist elements that were most in evidence were nearly everywhere eliminated, without accusation, without proof, and in most cases without judgment and by summary execution.

That is what has happened in Spain, and again I put the question: What would have been the alternative for Franco had he not had most of the Spanish army and the Moroccans from North Africa to fight against the communist insurrection? Look what the communists did with the public treasury of Spain. They took all the gold bullion and sent it to Moscow, and it has never been returned. These are things that happened in that country. I know you are open-minded, but if you do not believe these things you can go to the proper records to find out what happened.

Why do so many of our allies do everything in their power to weaken our cause? Are we so strong and united that we can scoff and sneer at a nation like Spain? To my way of thinking we should do everything in our power to draw that nation into full partnership in NATO, and there is no doubt that thereby the Western alliance would gain strength.

Honourable senators will remember the commotion caused in the United States some two years ago when that country wanted to establish air bases in Spain. A large segment of the American public was opposed to it. People do not seem to realize that today Spain is one of the greatest bulwarks against communism, and if the communists had won the revolution who could say that communism would not have spread throughout most of Western Europe? Who would dare to deny this? Today the American people are almost unanimously convinced that it was a good thing to establish these bases in Spain for the common defence of NATO and the preservation of civilization.

The tentative, technical feelers, as the West German Minister of Defence called them, have stirred up the old distrust of Germany, particularly in Europe, and there are some echoes of this here in Canada. Even the assurance by West Germany that any final agreement will be submitted to the full NATO alliance for approval has not yet quieted down all the criticism, which I feel is most unnecessary.

The problem of evaluating Germany's actions comes from the emotional and even intellectual difficulty in separating the old Germany from the new. Germany has not been without sin and in many instances she has had a horrible past. If we want to believe that this is the old Germany flexing its muscles and again acting contemptuously arrogant, as some have stated, then there is reason to be on our guard. One can easily understand the feeling some people have about this matter. It is easy to arouse emotions by such catch-phrases as a Bonn-Madrid Axis, a Bonn-Paris Axis, and the revival of the Teutonic military might. These are phrases we hear these days, and Mr. Khrushchev, who is at present in Paris, has warned Mr. de Gaulle not to get too close to West Germany. What right has Mr. Krushchev to tell Mr. de Gaulle what to do? In this regard I am proud that my motherland is pro-German because Germany believes in the strength of NATO and the good faith of Western Germany.

Have such catch-phrases and prejudices any place in the cold, analytical business of keeping Western Europe defended? The West Germans surely are justified in asking their NATO allies to make up their minds. Do the allies want or do they not want Germany to play a vigorous, full part in the alliance? In the past Germany has been criticized for not doing enough; now she is criticized for trying to improve the effectiveness of her air force.

It might be true that West Germany has erred in the way it has gone about all this. The Germans again reveal how they underestimate the lingering distrust. They may have forgotten the past before their neighbours have, which is understandable. They saw some reactions of that state of mind when the President of West Germany visited Great Britain nearly two years ago. And who could criticize the reaction of Great Britain? No doubt the Government was courteous in receiving the President, but the British people could not forget the horrible nightmare they endured for over two years, losing the flower of their nation and suffering tremendous material losses. I myself saw the almost unbelievable destruction in one of London's suburbs. I saw one school that was completely destroyed, where from sixty to eighty little children were killed. You could still see some of their tiny limbs, arms and legs, hanging in the tree tops. The English people cannot easily forget such things. It would be absolutely impossible. But the German people see only their defence minister working with all his energies to make West Germany strong, and, no doubt, as strong as the West wants it to be. Surely, no sane man in Germany believes that his country, united or not, can ever become again the military colossus of Europe! We certainly know what country is the real colossus now, and which is to be dreaded and feared. At one time France was the military colossus of Europe. This is a calculated risk that Europe must necessarily take. Any other alternative will carry grave danger to us all.

I appreciate the kind attention honourable senators have given me, and I trust I may say a few more words about the great role that Canada is playing in the United Nations. Canada has become a leading intermediary power. Our wide contacts in all parts of the world place us in a position, for instance, to know the aspirations and ideals of Europe, of the South American countries, and many others. We are highly respected by all. I want particularly to mention the notable work that was done by the Honourable Lester B. Pearson in the United Nations. He filled a great role, and when he received the Nobel Prize there was no question of politics involved. It was simply that he was a man that was respected in all the chancelleries of the world.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Bradette: When difficulties arose between Great Britain, Russia and other nations, the judgment of Mr. Pearson could always be relied upon.

I also wish to praise the Honourable Howard C. Green, whom I have known for many years in the House of Commons. He has had wide experience as a parliamentarian. He is a diligent and capable man, and no doubt will bring great credit to Canada in its activities in the United Nations. Our conduct in international affairs in the past is a guarantee for the future. We participated to the limit, and in all departments, during World Wars I and II, not for territorial aggrandizement or wartime expansion, but to see that the principles of freedom and democracy that we so greatly cherish will prevail.

A few days ago we read of the horrible catastrophe that occurred in North Africa. Let us hope that such a like tragedy will not occur again. However, in such instances all that is best in mankind also comes into play. It is to me a good sign for the future that human nature can be so generous when it is properly led.

I will complete my remarks by saying a few words about Operation "Agadir", in which humanity is shown at its best at a time of such a disaster which has so terribly affected this section of the world. The response for aid was strong and spontaneous. At a time of such terrible mass tragedy for thousands in an earthquake-riven area, when a clear call to do so can be heard, weapons of war are turned into instruments of mercy, and swords into plowshares.

Nations that in 1911 moved toward Agadir as power rivals moved recently along parallel courses of co-operative effort. The American-built air bases in Morocco, from which the United States is withdrawing in conformity with Moroccan desire, became suprapolitical as American planes took part in the rescue work. French ships that a year or so ago may have helped escort unwanted Frenchmen out of newly independent Morocco were steaming back with welcome French aid.

Observing the way mankind moves in such crises, even the less optimistic among us recover hope. The deciding factor for humanity's future need not be simply the scope of modern destructiveness. Indeed, the larger the destructiveness looms, the easier

it becomes to identify it with other non-human forces. And the more likely that mankind will deal with it in terms like those of Operation "Agadir", 1960, the more can we hope that the best in all nations of the world will predominate, so that universal peace will prevail.

Hon. Gray Turgeon: Honourable senators, I know the hour is very late, but I should like to say a few words, following the honourable senator from Cochrane (Hon. Mr. Bradette).

I intend to deal this afternoon more with the condition of our international trade than with the possibilities of war and the great efforts that are being made by so many countries, including Canada, to make certain that we have peace and do away entirely with any possibility of war. I listened with interest to what the honourable senator from Cochrane said about the situation in Germany. I had not meant to say a word about this, but the thoughts he expressed made me think of what Stalin did just a little while before World War II started, when he made a treaty with Hitler. Khrushchev is thinking now of making a treaty of a similar nature with a part of Germany, so-called East Germany. East Germany was created entirely by communist Russia. Every individual in the Government of that part of Germany is a creature of the actions of communist Russia. Now, what did Russia pay for the treaty that she made with Hitler? It is true, of course, that she got a great deal of territory—a big portion of eastern Poland—so much that a million Poles left eastern Poland and went to the most westerly part of that country, and took over a part of Germany. At that time that was eastern Germany. Hitler disregarded the treaty as soon as he seemed to be making progress with his war. He invaded Russia, particularly Stalingrad, where hundreds of thousands of people lost their lives, for because Stalin had made that treaty with Germany Russia was not in a position to meet an attack made by Hitler. Afterwards we, in turn, gladly accepted the action of Russia on our side in World War II. Now Khrushchev says that his solution of the German problem must be accepted or he may present an ultimatum. If he does, there will be war again, without any question whatsoever. However, virtually everyone in Canada today is hopping that out of the approching summit meetings peace will emerge, and with that in mind I do not intend to say much more about war.

If these meetings bring peace to the world we shall have to pay much more attention to our economic situation.

I listened with interest to the speech made the other day by the honourable senator from Shelburne (Hon. Mr. Robertson) in which he dealt with trade and commerce. Canada's trade is very largely international. Consider for a moment one of our great industries, the lumber industry in British Columbia. With its lumbering operations, the pulp and paper branches, and all the other activities connected with it, it is one of the biggest industries in Canada. Without foreign markets that industry would die today—it could not live if it had only the domestic market in which to sell its products.

The same is true of many other industries. For instance, many of the minerals which we produce primarily or industrially must be sold in a foreign market or they could not be produced at all.

In that regard I want to say a few words particularly in connection with management and labour in relation to the operation of our economy. But first let me state I agree entirely with the honourable senator from Shelburne that we must make some arrangement under which we will be able to trade with both the so-called Inner Six and Outer Seven groups of European countries, or with one of the groups, because we must have those markets.

Last year there was a great deal of labour trouble in British Columbia. All honourable senators are aware of the widespread strikes that we had there. I may say that the Senate helped to settle a strike out there through the splendid work that was done last session by the Senate Finance Committee in its study of inflation. That committee did a great deal of good, no question about it.

I have two quotations that I am going to read. One is a statement made by Mr. Claude Jodoin who, as you know, is head of the Canadian Labour Congress. He is a very able man and that organization is an excellent one. He said, as reported in the Montreal *Gazette* of March 18:

> Organized labour in Canada feels it is on the threshold of a growing conflict with management . . . This brings up the subject of production. We are well aware of the role labour plays in production, but we also know that labour is not the only factor. Even in this frame of reference relations between labour and management are often of great importance to production.

Nothing is truer than that. I agree with that statement 100 per cent. He continues:

> We cannot expect to have efficient production in an atmosphere of conflict.

My other quotation is from a speech made by the immediate past president of the Canadian Construction Association at a meeting of the Canadian Pulp and Paper Association

a few days ago. I am reading from a report in the Montreal *Gazette* of March 23:

> ...labour and management might hold "periodic meetings" to discuss problems of mutual concern. This kind of meeting of minds is the best way of reducing labour problems. Purpose of such meetings would be fuller understanding of objectives of both sides, of the economic aspect of work stoppages, of competitive forces at home and in foreign markets, of the role of profits in future expansion and of the rights of the individual and the general public.

Now, honourable senators, you have heard two statements made by leaders in their field, one representing labour and one representing industrial production and management. Why cannot we get them together immediately? I have been wondering whether the Senate could not take the steps necessary to start such a getting together or a series of getting-together meetings that will make it possible for Canadian production to find its main market, which is the international market—or the foreign market, call it as you wish.

I want to say a word or two with respect to a suggestion made here by the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) when speaking on the address in reply to the Speech from the Throne. I refer to his suggestion that the Senate Committee on Finance make a study of the premium on the Canadian dollar. Well, it happens that when speaking in this chamber on May 25, 1954, I suggested that the Senate, or a joint parliamentary committee, whichever was thought better, should make a complete study of the cost of production. Fortunately, during the last session of Parliament part of that suggestion was carried out through the Finance Committee's study of inflation. In 1954 I suggested that we should study the various factors that lead to the continually increasing cost of production which is making it so difficult for us to sell in foreign markets. I said then that increasing wages was one of those factors, but I pointed out that it was not the only factor, that other factors contributed to the increasing cost of production and I recommended that all these factors, together with the increasing cost of sales, should be considered.

Incidentally, honourable senators, in the statement made by Mr. Jodoin, to which I referred a moment ago, he made a similar recommendation for such a study. The newspaper dispatch says:

> He also referred to labour's proposal that a royal commission be named to investigate the inflationary propensities of wages, prices and profits.

I have quoted statements made by Mr. Jodoin, representing labour, and Mr. Harrington, representing management, the latter suggesting that labour and management get together at conferences from time to time. If we do not bring something like that about, we shall lose a great deal of our markets in the world at large. There is no question about that. Unless we can bring labour and management together to do something about prices we shall lose out.

That brings me to the question raised by the honourable senator from Northumberland-Miramichi about the premium on the Canadian dollar. I agree with him that it would be very wise and helpful to our trade if we made a study of the causes and effects of this premium. What the result of that study would be I do not know, but there is no doubt whatever that this premium is playing a very important part in increasing our costs of production and making it more difficult for us to sell. Let me give you an illustration. In the district which I represented in the House of Commons and the district from which I take my designation in this house—Cariboo, in British Columbia—there was at one time a great production of gold and other minerals. The only market for that gold and the other minerals is a foreign one, the United States, and there is very little production of gold or other minerals in my district today because of the premium on the Canadian dollar in terms of the United States dollar. A study of the question by a Senate committee might not reach any conclusions as to whether the premium should be changed, but the matter should at least receive serious consideration.

While speaking to this particular motion, I would like to draw attention to a committee of the Senate which plays an important part in our relationships with the world at large, the Standing Committee on Canadian Trade Relations. Perhaps that is the appropriate body to make a study of the relationship of the Canadian dollar to the American dollar. In any event, a study should be made. I wish to congratulate the honourable senator from Northumberland-Miramichi for having made his suggestion publicly.

I should like also to congratulate the honourable senator from Cochrane (Hon. Mr. Bradette) upon his excellent presentation this afternoon. I join with him in an expression of good wishes to the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), the Chairman of the Standing Committee on External Relations, the body which is about to be authorized to review Canada's role in international affairs. As a member of that committee I will be very glad, as I am sure the other members will, to do everything possible to assist the chairman in his work. I am confident that this committee, by reason of its membership and its interest in international affairs, will do great things.

Before concluding my remarks, honourable senators, I should like to make a personal reference with respect to Canada's position at large. It happened that in 1946 I was chief Canadian delegate on a twenty-nation United Nations commission which sat in London for the purpose of deciding what assistance should be given to the war-torn countries of Europe and the Far East. That commission divided itself into three travelling committees, and each delegate, with the exception of Canada's, stated to which group or field party it wished to be appointed. As the delegate representing Canada, I did not have to ask for any particular appointment because as each of the other countries made their wishes known they asked that Canada be represented in their field party in the study of economic and social problems. It became necessary for me only to decide, on behalf of Canada, which invitation I would accept. I chose the group that was to travel in the Soviet Union, the Ukraine, Byelorussia, Poland and Czechoslovakia. We travelled through Poland and Czechoslovakia, but when we finished our work there we were informed that the other three countries had not answered the United Nation's letter and therefore we would not be visiting those countries.

I mention that experience, honourable senators, to show that as far back as 1946 a very good feeling for Canada was held by the countries represented on that commission. That being so, I am most hopeful that before long, through the study of the question now before our committee, we shall succeed in bringing labour and management into better relationships, and that when the opportunity for good world trading comes we shall be able to play our part and carry out our economic improvements.

Motion agreed to.

PRIVATE BILLS

INTERNATIONAL LOAN COMPANY—THIRD READING

Hon. John Hnatyshyn moved the third reading of Bill S-23, respecting International Loan Company.

Motion agreed to and bill read third time and passed.

ADANAC GENERAL INSURANCE COMPANY OF CANADA—THIRD READING

Hon. John T. Haig, for Hon. Gunnar S. Thorvaldson, moved the third reading of Bill S-18, to incorporate Adanac General Insurance Company of Canada.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-259, for the relief of Real Blier.

Bill SD-260, for the relief of Viola Elsie Ann Johnson Anderson.

Bill SD-261, for the relief of Margis Wellisch Ruszugar Hancz.

Bill SD-262, for the relief of Janina Lukaszewicz, Soloducha.

Bill SD-263, for the relief of Arthur Woodbridge Dale.

Bill SD-264, for the relief of Maria Jacoba Arens Mannens.

Bill SD-265, for the relief of Gerard Henri Turgeon.

Bill SD-266, for the relief of Nancy Jane Wyllie Wood Aylwin.

Bill SD-267, for the relief of Yves Brodeur.

Bill SD-268, for the relief of James Joseph Sceviour.

Bill SD-269, for the relief of Leon Zygowski.

Bill SD-270, for the relief of Neeltje Doruijter Van der Spoel.

Bill SD-271, for the relief of Paul L'Heureux.

Bill SD-272, for the relief of Joseph Daniel Bernardin Daigle.

Bill SD-273, for the relief of Giovanna Intini Mancuso. (Annulment).

Bill SD-274, for the relief of Eileen Williams Gushue.

Bill SD-275, for the relief of Jean Eleanor Jackson Connell.

Bill SD-276, for the relief of George Henry Basil.

Bill SD-277, for the relief of Eileen Kathleen Astley Craig.

Bill SD-278, for the relief of Edith Tobat Heinemann.

Bill SD-279, for the relief of Davis Zave Garmaise.

Bill SD-280, for the relief of Marie Frederique Raphaelle Mireille Fortier Kingsbury.

Bill SD-281, for the relief of Franko (Franz) Stapinskyj.

Bill SD-282, for the relief of Eva Facey Lund.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: I move that these bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 295 to 304, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned until Tuesday, March 29, at 8 p.m.

THE SENATE

Tuesday, March 29, 1960

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

Prayers.

APPROPRIATION BILL NO. 2

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-54, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Bill read first time.

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

Hon. W. M. Aseltine: Honourable senators, this is the usual interim supply bill which is introduced at this time of the year. I would like to have leave of the Senate to proceed with it after Reports of Committees have been dealt with. I understand that a report is to be presented to the house from the Standing Committee on Transport and Communications with respect to the National Energy Board Bill, which is to be sent to the House of Commons immediately it is given third reading here. On this account I would move, with leave, that Bill C-54 be placed on the Orders of the Day for second reading later this evening.

Hon. Mr. Macdonald: Agreed.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Capital and Operating Budget of the Canadian National Railway Company, for the year ending December 31, 1960, pursuant to section 37 of the Canadian National Railways Act, Chapter 29, Statutes of Canada, 1955, together with copy of Order in Council P.C. 1960-361, of March 17, 1960, approving same.

Report of the Canadian National Railways for the year ended December 31, 1959, pursuant to section 40 of the Canadian National Railways Act, Chapter 29, Statutes of Canada, 1955. (English and French texts).

Report of the Canadian National (West Indies) Steamships Limited, for the year ended December 31, 1959, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English and French texts).

Report to Parliament of the Auditor on the accounts of the Canadian National Railway System for the year ended December 31, 1959, pursuant to section 40 of the Canadian National Railways Act, Chapter 29, Statutes of Canada, 1955. (English and French texts).

Report to Parliament of the Auditor on the accounts of the Canadian National (West Indies) Steamships, Limited, for the year ended December 31, 1959, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English and French texts).

Report of the Canadian National Railways Securities Trust, for the year ended December 31, 1959, pursuant to section 17 of the Canadian National Railways Capital Revision Act, Chapter 311, R.S. 1952. (English and French texts).

Report of Trans-Canada Air Lines for the year ended December 31, 1959, pursuant to section 29 of the Trans-Canada Air Lines Act, Chapter 268, R.S. 1952. (English and French texts).

Report to Parliament of the Auditor on the accounts of Trans-Canada Air Lines, for the year ended December 31, 1959, pursuant to section 29 of the Trans-Canada Air Lines Act, Chapter 268, R.S. 1952. (English and French texts).

Report of the Central Mortgage and Housing Corporation, together with a Statement of its Accounts certified by the Auditors, for the year ended December 31, 1959, pursuant to section 33 of the Central Mortgage and Housing Corporation Act, Chapter 46, R.S. 1952. (English and French texts).

The Canada Gazette, Part II, Statutory Orders and Regulations 1960, Wednesday, March 23, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 305 to 330, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-283, for the relief of Joan Dunn Ostrosky.

Bill SD-284, for the relief of Teresa Greco Caputo.

Bill SD-285, for the relief of William Pinkerton.

Bill SD-286, for the relief of Frank David Cousens.

Bill SD-287, for the relief of Denise Baril Sarrazin.

Bill SD-288, for the relief of Wassily de Krokhaleff.

Bill SD-289, for the relief of Henriette Rioux Beaupre.

Bill SD-290, for the relief of Lillian Olive Robertson Reinhold.

Bills read first time.

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

Hon. Mr. Roebuck: I move that these bills be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

NATIONAL ENERGY BOARD BILL

REPORT OF COMMITTEE

Hon. Harold Connolly, Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-26, to amend the National Energy Board Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. W. Ross Macdonald: Mr. Speaker, on a point of order. A motion for third reading of a bill on the day on which it is reported from committee cannot be made without unanimous consent of the house. I do not rise to object to this bill's receiving third reading at this sitting, but I think that before we give the consent the sponsor of the bill, or someone, should explain to the house the reason for the urgency.

Hon. Mr. Brunt: We are only adopting the report at present, as I understand.

Hon. Mr. Macdonald: The bill was reported without amendment. If I understand the rules correctly, when a committee reports a bill without amendment it is automatically adopted. Now, I believe it has been suggested that on account of some urgency the bill should receive third reading tonight. Before I give my consent, which I do not expect I shall withhold, I should like to know the reasons for suggesting that the bill be given third reading tonight. What is the urgency?

Hon. William R. Brunt: Honourable senators, this bill was considered by the Standing Committee on Transport and Communications this afternoon and, as reported by the Acting Chairman (Hon. Mr. Connolly), no amendments were made.

On second reading I explained the purpose of the bill, which is to make two amendments to the National Energy Board Act. The first is with respect of tolls on the transportation of gas within a province by an interprovincial company, and the second amendment extends the date of expiry of licences for exportation of power.

I have here a list of 20 licencees for exportation of power, whose licences will expire on March 31 next unless this bill receives third reading here, then goes to the other place and receives three readings there and finally is given royal assent by March 31. It is because these outstanding licences to export power will expire on March 31 that I am asking that the bill receive third reading tonight.

I have a table here which, with leave of the Senate, could be placed on today's *Hansard.*

Hon. Mr. Power: Why don't you read the list? Let us have the names.

Hon. Mr. Brunt: The first is a licence for the Hydro-Electric Power Commission of Ontario, on a firm contract, involving $1,700,000.

Hon. Mr. Roebuck: Whom is the contract with?

Hon. Mr. Brunt: It does not state whom the contracts are with. It simply lists the companies and commissions which are exporting power and gives the amount of money involved in each case.

The second licence is to the Hydro-Electric Power Commission of Ontario for the export of surplus interruptible power. It is estimated that this amounted to $8,300,000 last year.

The other licensees are:

Cedars Rapids Transmission Company, a firm contract involving $1,199,000.

Canadian Niagara Power Company, a firm contract involving $931,000 and an interruptible contract involving $155,000.

Ontario-Minnesota Pulp and Paper Company, a firm contract involving $252,000.

Maine and New Brunswick Electrical Power Company, a firm contract involving $354,000 and an interruptible contract, involving $131,000.

British Columbia Electric Railway Company, a firm contract involving $25,000 and an interruptible contract involving $37,000.

West Kootenay Power and Light Company Ltd., a firm contract involving $374.

Two contracts with the Southern Canada Power Company, one a firm contract involving $70,000, and one an interruptible contract involving $188,000.

Northern British Columbia Power Company, a firm contract involving $1,360.

Fraser Companies Ltd., an interruptible contract involving $294,000 and a firm contract involving $1,814.

Detroit and Windsor Subway Company, a firm contract involving $1,379.

The Manitoba Power Commission, an interruptible contract involving $770.

The New Brunswick Electric Power Commission, an interruptible contract involving $281,000.

Finally, the British Columbia Power Commission exports power on an irregular basis, as to the value of which I have not been able to obtain any figures.

For table see appendix "B" to today's Hansard, *p. 456.*

Hon. Mr. Macdonald: Honourable senators, those of us who were at the committee meeting this afternoon will, I am sure, agree that it was an excellent meeting. We had before us two very good witnesses, Mr. Ian N. McKinnon, Chairman of the National Energy Board, and Mr. E. A. Driedger, a representative of the Department of Justice. Mr. Driedger has been before our committee previously, and is an eminent counsel. We also had placed before the committee an opinion of Mr. E. Russell Hopkins, our own Law Clerk.

Both Mr. Driedger and Mr. Hopkins gave it as their opinion that passage of this bill was within the jurisdiction of Parliament. Mr. Driedger relied on the Winner Case, which I believe the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) mentioned when the bill received second reading on Thursday last. I am not going to dispute what was said, that in the light of that case Parliament has jurisdiction to pass this bill. However, the question that did arise in my mind was whether the facts in this case stand on all fours with the facts in the Winner Case. Mr. Driedger did not give a definite opinion on that point. He was reasonably certain of it, but to one question I asked I thought he gave just a half-favourable answer.

Hon. Mr. Brunt: He hedged, in other words.

Hon. Mr. Macdonald: My friend says he hedged. Well, I do not know whether he hedged. I do not think he was too sure of his ground. However, he is recognized as an eminent constitutional lawyer, and I am not going to question his opinion.

In committee we did feel that the provinces should be notified of the amendment to this act. Honourable senators will notice that the present section 61 of the act contains a provision which reads:

> Where the gas transmitted by a company through its pipe line from any place within a province to any place outside the province is the property of the company . . .

The committee agreed that even if it was within the jurisdiction of Parliament to pass this bill the provinces should be made aware of it. The Chairman of the National Energy Board was questioned as to whether the provinces had been notified. He said that so far as he was concerned the provinces had not been notified, and I believe I can safely say that the Government has not notified the provinces. The committee felt that, had time permitted, the hearing should have been adjourned at that time, and it would have had the provinces notified, but on account of a certain urgency the committee unanimously decided that instead of withholding the report to the house it would instruct the Clerk of the committee to send a copy of this bill by registered air mail to the Attorney General of each of the provinces. I have been informed that copies of the bill have been sent forward to each of the provinces.

Hon. Mr. Aseltine: In addition to that, a copy of the bill has been sent to the counsel for the province of Alberta, who has an office in Ottawa. He is getting in touch with his people in Alberta. The other work has all been done. I saw to it that it was sent by registered mail, special delivery, to the other provinces.

Hon. Mr. Macdonald: By air mail?

Hon. Mr. Aseltine: Yes, air mail, special delivery.

Hon. Mr. Macdonald: Honourable senators can be satisfied to this extent, that we have at least notified the provinces of what is taking place in Parliament. It may be asked "Well, why did you not hold up the bill?" As the sponsor of the bill has stated, under the present act there is a provision that the existing licences will expire on the 31st of this month unless renewed by that date. Honourable senators, they may or not be renewed. That will be, to some extent, up to the House of Commons, because even if the bill passes this house tonight it cannot be considered there before tomorrow. Unless the rules of that house are suspended by unanimous consent it cannot get through there in two days. I feel we have done our part by notifying the provinces. If the House of Commons feels the provinces have had sufficient notice and that the matter is so urgent that it should be passed without waiting for their opinion, well, that is the responsibility of the House of Commons.

There does appear to be some urgency, but if honourable senators will read this bill they will see that the Government has a safety clause in it. There is a safety valve in the machinery.

Hon. Mr. Brunt: That is the one to forgive sins.

Hon. Mr. Macdonald: I refer to the third clause of the bill, which provides that if for any reason whatsoever this bill is not assented to before the 30th day of March but is eventually passed, the companies will be deemed to have been operating as if the bill had

become law on or before March 30. That is to say, the Government is prepared to allow the companies to operate without a licence if the bill is not assented to by the 30th day of March. For instance, if royal assent were not given until, say, the 1st of May the Government could say: "What you did was wrong, but we will forgive you." The bill says they would have been doing everything legally since the 30th of March.

You see, honourable senators, there is some question in my mind as to the urgency of this whole matter. I am speaking for myself only when I say I feel that the committee gave very careful consideration to the bill this afternoon, and I feel it came to the right conclusion. It was the unanimous opinion of the committee that the provinces should be notified. There was not any opinion taken as to whether we should send it over to the other house tonight and let that house wrestle with it. So far as I am concerned, I am prepared to consent to proceeding with the third reading tonight.

Hon. Jean-François Pouliot: Honourable senators, I will not oppose the bill at the present time, but I want to qualify my good disposition toward it. We are part of the legislative system of this country—Parliament. When visitors come to this building, honourable senators, they are given a booklet telling of the importance of Parliament, which enacts laws that concern every man, woman and child in this country. Parliament is supreme. Our Parliament is fashioned after an institution which has existed for centuries in England, in Switzerland and in all other democratic countries of the world. Visitors are told to have respect for Parliament. I wonder why the Chairman of the National Energy Board has not been given one of those booklets to inform him about the importance of Parliament. He should have been lectured about the importance of his own job. Whoever would think, honourable senators, that any Crown authority would be so careless of its duty as to forget to look at the calendar so as to know when it has to do such an important thing as renewing permits or granting permits?

The board pays no attention to that and if the Government gave the impression of being composed of Progressive Conservatives in a hurry it was because the National Energy Board played a dirty trick on the Government. I am sorry to use that word, but one has only to glance over the pages of *Hansard* of the House of Commons to see that I was right when I asked questions about those people.

Here in the Senate we form a chamber which must take everything quietly with due consideration, with wisdom, and give a chance to all those concerned to make their representations. Now, what has been done? I do not know if radar was used, but the most rapid means of communication available were used to get in touch with the provinces and to notify them that they would have to appear before the committee to make their representations to this honourable chamber. This is not the way to proceed. But, mark you, honourable colleagues I do not blame the Government. I am too broad-minded for that, and I will not say that those who would do so are narrow-minded. Far be it from me to say that. But I complain of the incompetence of the National Energy Board, whose members forget their essential duties, which are to look after their own business and ask the Government for a continuation of rights and privileges. That being said, I will not insist any more, but the next time such a thing occurs I will make a two-hour speech to denounce it, and I will be much more violent than I have been tonight.

Hon. Arthur W. Roebuck: Honourable senators, I do not propose to make a two-hour speech to denounce this situation, but I am puzzled as to how an inefficiency of this kind has come before our house tonight. It is all very fine to shift the blame from one to another, but there are officials of our Government whose duty it is to know about matters connected with the export of power, and they should have seen to it that the National Energy Board was giving the necessary attention to the subject and, if not, to have come to this house for relief at a much earlier date. There is evidence of incompetence on the part of the Government, the departments involved and the National Energy Board.

This is one of the most important bills that have come before us, if you take into account the millions of dollars involved, yet the Government comes to us tonight asking for emergency legislation, together with an escape clause in the bill, to which our honourable leader on this side (Hon. Mr. Macdonald) has already referred.

I think it is clear that if this bill is not assented to by the 30th of this month the exportation of power from Canada to the United States will be illegal, contrary to the law of the land. Knowing that, and the awful mess the Government will be in should the assent not be given by that time, there is included in this bill a saving clause, designed to permit the illegal export of power. It is clause 3, which reads:

> Sections 1 and 2 shall come into force on the day this act is assented to, except that if that day is after the 30th day of March, 1960, section 2 shall be deemed to have come into force on the 30th day of March, 1960.

That is to say, without any authority of Parliament, because until this bill is passed it is a nonentity, a nothing, a nullity. The Government notifies in this way the exporters of power that they may illegally and contrary to the law of the land ship power from Canada to the United States or elsewhere.

Hon. Mr. Power: Does my honourable friend know of any other case in which an indemnification act has been passed before the crime has been committed? I never heard of one.

Hon. Mr. Roebuck: Well, I have been in Parliament a good many years and in a Legislature, but I never before heard of procedure like this, and I hope I shall never hear of anything like it again.

Hon. Mr. Power: It is an act of indemnification.

Hon. Mr. Roebuck: It is an act of indemnification for commission of a breach of the law.

Hon. Mr. Power: Exactly.

Hon. Mr. Roebuck: And a most important breach.

Hon. Mr. Power: And before it is committed.

Hon. Mr. Roebuck: Yes, before it is committed, because the Government knows it will be committed, if the bill is not passed before the end of the month. Honourable senators realize that export of power means the sending out of natural resources from this country for the benefit of people abroad and that we in Parliament, in both the Commons and the Senate, have set our faces against this for many years, as we do now. Only last session we fought this matter out on the floor of the house and decided against a resolution that favoured exportation of power. Here we are saying to these companies that, contrary to the law of the land, they may export their power. That is the imputation in this bill. We are saying in effect, "You may break the law of Canada if you like to do so and we will fix you up after the crime has been committed"—as my honourable friend from Gulf (Hon. Mr. Power) has put it. That is an outrageous thing to bring before men and women like us who are law-abiding people. Canada is a law-abiding country and I presume these power companies are law-abiding. It is subversive.

I know something about power and the situation that confronts us. I have served as a commissioner of the great Hydro-Electric Power Commission of Ontario. I have taken part in the export of power, the very power that is now the subject of this legislation. I know what it would mean should we not give this authority and if these exporters stayed within the law of the land. It would bring about an international incident. If we cut off the export of power suddenly without any notice to our American friends it would be a disaster to them and it would be an international incident as between our two countries. You would hear from Washington by wire. It would not be by the mails, which we have used to send out copies of this bill. It would be by telephone. The wires would be hot. And that is how we should have contacted the Attorneys-General of the provinces.

Hon. Mr. Dupuis: May I interrupt my honourable friend? I understand very well the stupidity of that clause which legalizes illegality. Why should we not in this chamber demand to have this clause deleted?

Hon. Mr. Roebuck: Well, if my friend moves an amendment, I shall find it very difficult to vote against it, very difficult indeed. We are in a mess owing to inefficiency on the part of the Government or its officials. We simply cannot afford to allow the right to export power to expire on the 30th of this month and thereby bring about what I was describing as a disaster to the people of our neighbouring republic, and perhaps an unfriendliness between our two nations—an international incident. Much as I dislike this situation, and much as I condemn the procedure that has brought us into this mess, I am forced to accept the bill and not to object to its being passed. It should go to the Commons. They should realize its importance and should pass it without delay, and they at least can eliminate this section, because if they pass the bill in time the section will not be needed. The Government will then be saved from legislating to justify an illegality in this horrible way. So I am going to consent to passage of this bill.

Hon. Mr. Brunt: Honourable senators, there are just a few remarks I would like to make in reply. The first relates to section 3—the forgiving section that is contained in this bill. When Mr. Driedger, of the Department of Justice, appeared before the committee this afternoon he was asked a question regarding this particular section. As near as I can recall, he stated that it was the practice of the Department of Justice to include such a section as this in a bill if there was any doubt that the bill would be passed in time. I took from what he said that this particular section had been included in other bills.

Hon. Mr. Roebuck: Did he tell us the bills?

Hon. Mr. Brunt: No. I did not ask him to name the bills. He gave the statement quite voluntarily. I have no reason to doubt him. I know of no such bills. However, he did give the impression that this was common practice, if there was doubt about a bill's passing through Parliament in time.

Hon. Mr. Roebuck: A bad practice, if it ever was followed, that should be wiped out.

Hon. Mr. Brunt: I am just stating what Mr. Driedger told the committee this afternoon.

Hon. Mr. Power: There have been no circumstances of that kind happen that I can recall, and my recollection goes back fairly well over the past 40 years in Parliament. It may be that at times we have said an act would take effect retroactively, but never to my knowledge has it been said that a breach of the law would be covered in advance of the breach. I cannot recollect anything of that nature.

Hon. Mr. Brunt: I cannot give you any examples of when it was done; I simply say the statement was made by Mr. Driedger in committee this afternoon.

Now I would like to address a few words to the honourable senator from De la Durantaye (Hon. Mr. Pouliot). He and I have been pretty good friends in the short length of time I have been here, but I must object to the remarks which he made concerning the National Energy Board. I feel that this country is very fortunate to have a National Energy Board composed of such men as Mr. Ian McKinnon, Dr. Howland, Mr. Briggs and its other members. They are doing an excellent job. They have had a hard job to do and are doing it well. They have had before them five very important applications dealing with the exportation of gas. The sittings that took place lasted for a long period of time. They have had to prepare very extensive reports. This afternoon the chairman of the Board, Mr. Ian McKinnon, frankly stated to the committee that he was to blame for this predicament, and in doing this I think he went far beyond anything that was expected of him.

Hon. Mr. Macdonald: That statement was not accepted by the committee.

Hon. Mr. Brunt: No, it was not accepted by all of the committee, but I want to tell honourable senators just what he said. He stated that this bill had been prepared and sent to him, and that he had followed the practice with which he had been familiar in the province of Alberta, namely, he wrote back to the Minister of Trade and Commerce and said he had gone over the bill and found that it was satisfactory in form and also that it was satisfactory to the National Energy Board. That is in accord with the practice followed in Alberta.

Hon. Mr. Power: What about here?

Hon. Mr. Brunt: Let me finish the explanation. In Alberta the Executive Council orders the printing of the bill. In Ottawa that is not done. The printing should have been ordered by the Chairman of the National Energy Board.

Hon. Mr. Power: Where did he get that idea?

Hon. Mr. Brunt: Well, that is the practice.

Hon. Mr. Macdonald: Not of the Government.

Hon. Mr. Brunt: Yes it is.

Hon. Mr. Power: No bill is ever printed before it gets the assent of council.

Hon. Mr. Macdonald: Certainly not.

Hon. Mr. Brunt: He definitely stated that the printing had to be ordered by him and he neglected to order the printing. That is one of the reasons why the delay occurred. I am simply stating what the chairman said before the committee this afternoon and this is one of the reasons why the delay occurred. I am not saying the Government is blameless in this, but I have been pressed ever since this bill was introduced to give some explanation of the delay, and this is one of the reasons why the delay occurred.

Hon. Mr. Macdonald: I think it is fair to say that the committee felt it was not the National Energy Board, but the Government, that was to blame.

Hon. Mr. Brunt: Some members of the committee felt that.

I do not think it is fair to criticize in the manner that has been done this evening the chairman of the National Energy Board, and the board itself. As I have said, I think we have a good board that is doing a tremendous job. I feel that Canada is very fortunate to have a board made up of men of the calibre of its members. They are doing their best, and I believe that most people in Canada really appreciate the effort they are putting into their work.

Hon. Mr. Roebuck: Is the honourable senator willing to accept responsibility on the part of the Government for the delay of the board?

Hon. Mr. Power: On the strength of the explanation given by my honourable friend

from Hanover (Hon. Mr. Brunt), I would not think of criticizing the chairman of the Energy Board. The chairman did just what he was supposed to do, and what any other board or organization under the Government is supposed to do. He said he had no objection to this bill and he handed it back to the minister. Then it became the minister's duty to bring it before Council, and before Parliament, if Council approves.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Brunt: The bill must be printed before it comes before Council.

Hon. Mr. Power: Then it is printed on the orders of the minister, not of any board or other organization which has no legislative function. It can only recommend to the Government. We have not a bureaucratic government to that extent as yet.

Hon. Mr. Brunt: All I can say is that the chairman of the Energy Board stated this afternoon that the bill was printed on his instructions.

Hon. John T. Haig: Honourable senators, I was present at the committee meeting today and I was very proud of the chairman of the Energy Board. It takes a fellow with a lot of honesty in his heart—not in his head—to say what he said today.

Hon. Mr. Power: I would say loyalty to the Government more than anything else.

Hon. Mr. Haig: Will the honourable senator let me finish? I did not interrupt him when he was speaking. The honourable senator from Gulf (Hon. Mr. Power) said he has been 40 years in Parliament. Well, so have I. I have been 40 years in Parliament and my town never defeated me. I never lost my seat. Make no mistake about that. My constituents believed what I told them, because it worked out that way, and they returned me election after election.

I say I was very proud of the Chairman of the National Energy Board today. He is in a difficult position. Just try it out and see. He is a new man in that post. He is in one of the most responsible positions to which the Government can appoint a man, the position of chairman of the board which is responsible for the shipping of oil, gas and power outside of this country to another country, a greater country than ours. We know that if we make a mistake we will have difficulties with them, as my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) said. I want to say this and I don't care what you say, that ultimately the Government is always to blame. It appointed the man to that position, and if he makes mistakes it will be bad for the Government. But don't for a moment think that the Government wants to make a mistake. I know the man who was appointed to the post, and I know him to be a very efficient and capable man.

Hon. Mr. Macdonald: It was the people who elected the Government who made the mistake.

Hon. Mr. Haig: The people did not make any mistake, and the Government is not making a mistake now. It is trying desperately hard to meet a difficult situation in a difficult world, and I am all for helping out the people who are in a struggle of that character.

Today I was proud that a man had the strength of character to stand up and tell us that the responsibility backed up to him and to nobody else. Now nine men out of ten—and I think I would be one of the nine—would be trying to pass it on to somebody else, and I think there are many of us who would do that. I say it is a credit to Canada that we have at the head of one of our most important boards a man who would do that. And the board will become more important as time goes on, because if our oil and gas development continues hundreds of thousands of dollars will come from the United States to Canada.

I am sorry, and so are we all, that this bill was not brought in two or three weeks ago, and I have no doubt that if the National Energy Board had been in existence for several years this would not have happened. But we can be sure of this, that none of its members is trying to slide out from under. They said: "We will take the responsibility. We did not intend to do it and we are sorry it happened." I am glad we have men of that kind in the public service. That attitude tests the nationhood of a country. What counts is the kind of men and women who are appointed to public office who stand up and take the responsibility they ought to take, and today that was illustrated to a very marked degree.

I never saw the chairman before, I don't know where he comes from, but I was impressed because in quiet and unassuming terms he told us what happened and he said, "I take the responsibility." There was no argument about it. That ended it.

Like my honourable friends the honourable Leader of the Opposition (Hon. Mr. Macdonald) and the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), I am sorry that this mistake has occurred. I do feel sorry for the whole Civil Service of Canada—not so much for the Government, but for the civil servants, the people who have to carry out the administration. But I think the men and women appointed by both

the old Government and the new will stand up well in comparison with a similar body in any other country. We have nothing to be ashamed of in acknowledging the men and women we have in these positions. There may be better people, but by and large they are Canadians, they are loyal to the country, they are loyal to the jobs that they have on hand to do, and they carry on in a way that is a credit to them.

I am glad to be able to speak this way this evening, and I am glad to be one here to rectify the error that was made. If you want to blame the Government—

Hon. Mr. Robertson: Why don't you blame it on the Government?

Hon. Mr. Haig: I have had plenty of experience in political life. I ran in eleven elections and I won them all, and I want to say this, that it is a credit to the country to have a man stand up and do what the chairman of the National Energy Board did today.

I have sat in this chamber for some twenty-five years and I would not like to mislead the house nor the people of Manitoba. I would not like to think that the Manitoba people are getting an unfair deal and to prevent that I will stand up and fight for them, because I am from that province. They are fine people.

We are not saying we like mistakes to occur. We do not. But, if you have business of any kind with a man and he says: "Mr. Haig, I made a mistake. I should have registered those papers last week and I didn't do it, I overlooked them on my desk"—what do you do in that case? Do you fire him? Oh, no, you don't. You say, "There is a fellow who can tell the truth when he is in a hole." I say again, I was very proud to be at that meeting today and hear that man take the stand he did. I hope we will turn out to be as good men and women in this house as he was today.

Hon. Mr. Roebuck: May I ask the sponsor of the bill (Hon. Mr. Brunt) a question? I notice the bill was given first reading on March 24, that was Thursday of last week. This is the 29th of March, five days later. May I ask what the Government has done during those last five days to obtain the consent, for instance, of the Attorneys-General of the provinces?

Hon. Mr. Macdonald: I can answer for the Government in this case. The answer is one word: Nothing.

Hon. Mr. Haig: It does not have to get the consent of the provinces.

Hon. T. A. Crerar: Honourable senators, I would like to ask the sponsor of the bill (Hon. Mr. Brunt) a question. It grieves me to bother him in any way.

Hon. Mr. Brunt: Be honest about it now.

Hon. Mr. Crerar: In his remarks a few moments ago he said that in the ordinary course the bill had been sent to the Chairman of the National Energy Board for his comment, and that he found it satisfactory and returned it.

Hon. Mr. Brunt: The way it happened was this: he wrote back to the Minister of Trade and Commerce stating that the bill was satisfactory in form and as far as he was concerned he would approve of the bill.

Hon. Mr. Crerar: That amounts to the same thing. He perused the bill and notified the Department of Trade and Commerce—I mean the minister or an official—that the bill was satisfactory in form. Now, my question is: When did that happen? When was the bill first sent to the Chairman of the National Energy Board?

Hon. Mr. Brunt: I have no information as to when it was sent or when the letter came back.

Hon. Mr. Crerar: I have just a comment or two to make, and I certainly do not wish to delay the house. May I say, first, that the chairman of the board acted quite properly. Here was an important bill that was sent to him for his comments. He reads the bill, studies it, and advises the Department of Trade and Commerce that as far as his board is concerned it is satisfactory.

Hon. Mr. Power: He advises the minister.

Hon. Mr. Crerar: He advises the department and the minister that the bill is satisfactory. Now, after that, whose responsibility was it to get the bill moving through Parliament?

Hon. Mr. Power: The minister's.

Hon. Mr. Crerar: My point is that it was the responsibility of the department, not of the National Energy Board. If it was the responsibility of the department—and it is clear to me that it was—why was there this delay in getting the bill before Parliament? If the transmission of the bill to the chairman of the board occurred only a few days ago, what were the minister and the officials of the department doing? They knew this was an important bill. Why did they not get it to the chairman of the board, say, two months ago? No criticism whatever can lie at the door of the Chairman of the National Energy Board.

Hon. Mr. Brunt: Criticism was made of him earlier this evening, and I was replying to it.

Hon. Mr. Crerar: He certainly was a most magnanimous gentleman.

Hon. Mr. Brunt: Quite.

Hon. Mr. Crerar: I am not a member of the Transport and Communications Committee, and I was not at the meeting today, but apparently this was a most magnanimous gentleman who took upon his own shoulders what were clearly the sins of the department.

Hon. Mr. Pouliot: Honourable senators, before the bill receives third reading, may I say a few words? I do not intend to make a two-hour speech, such as was referred to a moment ago, but I want to say that I do not wish to be unfair to anyone.

Hon. Mr. Brunt: Thank you.

Hon. Mr. Pouliot: What I have said about any individual applies mostly to the board, because it looks after its own business and co-operates with the Government, to see that legislation is passed on time.

Before I conclude my remarks, may I say I sympathize wholeheartedly with the honourable senior senator from Winnipeg (Hon. Mr. Haig), because I have never heard one of our colleagues repeat so often in a speech that he was sorry. It made me sad. I want him to be more cheerful. The spirit of the Senate is very good, and he must share it with all of us.

THIRD READING

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

Hon. Mr. Brunt: Honourable senators, with leave of the Senate, I move that this bill be now read the third time.

The Hon. the Speaker: Honourable senators, with leave of the Senate, it is moved by the Honourable Senator Brunt, seconded by the Honourable Senator Aseltine, that this bill be now read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Reid: On division.

Motion agreed to and bill read third time, on division, and passed.

Hon. Mr. Roebuck: May I ask His Honour the Speaker how it is possible to have unanimous consent if the bill receives the third reading on division.

Hon. Mr. Macdonald: It was carried on division. The unanimous consent was to the motion for third reading.

The Hon. the Speaker: Carried on division.

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Harold Connolly, for Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report of the committee on Bill S-26, to amend the National Energy Board Act.

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Connolly (Halifax North): With leave, I move that the report be now adopted.

Report adopted.

APPROPRIATION BILL NO. 2

SECOND READING

Hon. W. M. Aseltine moved the second reading of Bill C-54, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

He said: Honourable senators, this bill, which has been passed by the House of Commons, is the first interim supply bill for the present session of Parliament. It has nothing to do with supplementary estimates or the like, but merely provides money so that the Government can carry on its services until the next supply bill is brought in.

On that account it is known as an interim supply bill. I would like to inform honourable senators before I deal with the bill itself that the total amount to be voted in the main estimates for 1960-61 is $3,561,353,870.

Hon. Mr. Crerar: How much?

Hon. Mr. Aseltine: The total of the main estimates is $3,561,353,870, which includes loans of $125,650,715. The honourable senator from Churchill (Hon. Mr. Crerar) doubts my figures, but if he looks in the estimates he will find that the remainder of the expenses in 1960-61 are statutory expenses, and we do not have to vote them. We are just voting a share of the estimates which are not of a statutory nature.

Honourable senators, this bill proposes to vote one-sixth of all the items to be voted in the estimates I have just mentioned, and the one-sixth amounts to $593,558,987.34.

In addition to one-sixth of the main estimates, certain additional amounts are required with respect to some eleven items on votes. I will mention them. The Government requires an additional seven-twelfths of Vote 212, $904,166.67; an additional one-third of

Vote 36, $216,666.67; an additional one-sixth of Votes 176, 183 and 184 $615,247; and an additional one-twelfth of Votes 62, 263, 367, 394, 460 and 463, $8,193,843.84. This makes the total amount covered by this bill in so far as the main estimates are concerned, $603,488,902.52.

In addition, the usual authority is included to borrow up to $1 billion for public works and general purposes.

In the estimates, honourable senators, there are many hundreds of votes. This bill, in addition to asking for an appropriation of one-sixth of all of the votes, asks for an additional appropriation with respect to eleven votes only. The reason why this additional money is required is that during the next two months, April and May, certain work goes ahead more quickly than in other periods.

The appropriations requested by this bill are intended to provide all necessary requirements for the public service up to May 31, 1960. In no instance has the total amount of any item of any vote been released by this bill.

The form of the bill is the same as that of similar interim supply bills passed last year. I would like to call the attention of honourable senators to the form of this bill. It is in the form that was suggested by the honourable Leader of the Opposition (Hon. Mr. Macdonald) a year or more ago and by other honourable senators. That form has been adopted by the Government and has been followed ever since. In that connection I refer to the way the amounts are set out on page 2 of the bill.

Hon. Mr. Macdonald: May I say that we are indebted to the Leader of the Government for taking our suggestion to the Government, and to the Government for following his suggestion.

Hon. Mr. Aseltine: I was not taking any credit for it, but I am pleased that the Government did adopt the suggestion. I am sure it makes it much easier for honourable senators to study the bill.

I would like to advise honourable senators, as I have on every occasion when introducing a bill of this kind, that the passing of this bill will not prejudice the rights and privileges of honourable senators to criticize any item in the estimates when it comes up for consideration on other occasions. The usual undertaking is hereby given that such rights and privileges will be respected, and will not be curtailed or restricted in any way as a result of the passing of this measure. Plenty of opportunity will be given for study of, and comment on, any of the items contained in the estimates.

Honourable senators, that is a general explanation of the contents of the bill, and I trust it will receive the approval of this house.

Hon. Mr. Macdonald: Is there any urgency with respect to the passing of this bill?

Hon. Mr. Wall: May I ask a question of the honourable Leader of the Government (Hon. Mr. Aseltine) as to clause 4 of this bill, which gives the Government power to raise an additional loan of $1 billion? Clause 4 begins in this way:

(1) The Governor in Council may, in addition to the sums now remaining unborrowed and negotiable of the loans authorized by Parliament...

Have we any idea what are these sums still remaining unborrowed and negotiable which, when added to $1 billion, would give us some idea of what the total borrowings of the Government will be? Also, could some indication be given as to how this sum of $1 billion compares with other such general sums in former years?

Hon. Mr. Aseltine: I can give the honourable senator the last information. The amounts included in this category since 1955-56 are as follows:

1955-56	$1,000,000,000
1956-57	1,500,000,000
1957-58	1,000,000,000
1958-59	2,000,000,000
1959-60	1,500,000,000

It has been customary to include the $1 billion in the first interim supply bill.

Hon. Mr. Wall: It was the first part of the clause that interested me. What are the sums now remaining unborrowed and negotiable?

Hon. Mr. Aseltine: I am afraid I have no figures in that connection. I did not expect to be asked that question. Whether I can obtain the information before the debate is concluded remains to be seen, but I will endeavour to get it for my honourable friend.

Hon. Mr. Roebuck: This appropriation bill is more than an appropriation. It gives wide powers to departments, and I would like to know if the honourable Leader of the Government (Hon. Mr. Aseltine) can give me some information on one point. Section 4 gives the Government power to raise by way of loan under the Financial Administration Act by the issue and sale or pledge of securities, and so on, the sum of $1 billion at such rates of interest and upon such terms and conditions as the Governor in Council may approve. Now, can the honourable leader give us any idea what fantastic rates of interest are to be paid on this $1 billion?

Hon. Mr. Aseltine: It would be the current rate.

Hon. Mr. Roebuck: What is that rate?

Hon. Mr. Aseltine: Would the honourable senator expect me to be able to tell what rate of interest would have to be paid to borrow this money?

Hon. Mr. Roebuck: Why not? We are asked to approve the power to borrow, so are we not entitled to know the rate?

Hon. Mr. Brunt: Who fixes the rate?

Hon. Mr. Roebuck: The Governor in Council.

Hon. Mr. Brunt: Only after negotiations to find out at what price the bonds will sell.

Hon. Mr. Roebuck: It says:

> ... at such rates of interest and upon such other terms and conditions as the Governor in Council may approve ...

Hon. Mr. Brunt: That is right, at such rates as the Governor in Council may approve after it is known at what price the bonds can be sold.

Hon. T. A. Crerar: Honourable senators, I assure you that my remarks on this bill will not be extensive. In my judgment we are embarking tonight, so far as this house is concerned, upon the most important part of our parliamentary work. There was a time in the somewhat distant past when the raising and spending of public money were regarded as the most important functions of Parliament. In these latter days we appear to place less emphasis upon that aspect of our work, yet when one thinks of it realistically there is nothing more important in a democratic country such as we live in than the raising of money by Governments through taxation and the manner in which that money is spent. In other words, it is the responsibility of Parliament above all other responsibilities to see that taxation is equitably levied and that the people's money is not wasted. In my humble judgment these are the most important functions of Parliament. Tonight, as we embark on the first vote of supply to the Government for the next fiscal year, it is well to keep this thought in mind.

As the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) stated a few moments ago in his explanation of the bill, this interim supply covers only the non-statutory items. But I do not take much consolation out of that fact. Whether the items are statutory or non-statutory, the money has to be obtained from the taxpayers, and if we are going to keep the whole matter in proper perspective it is necessary to look at the figures as a whole. In the main estimates this year the total amount asked for by the Government, excluding old age pensions, is $5,740,000,000.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Crerar: In the main estimates a year ago the figure was $5,649,000,000. Old age security will require $590 million this year. Last year it required $577 million. As I look at all the youthful honourable senators around me—

Hon. Mr. Brunt: Thank you.

Hon. Mr. Crerar: —like my honourable friend from Hanover (Hon. Mr. Brunt), who nevertheless in the course of a few years will be on the old age pension list, and when I have regard to the certainty that life expectancy is lengthening, I can foresee that before a great many years this item will probably be $750 million or $800 million a year.

Another item for which the Government votes money appears in the main estimates, under the heading of, "Loans, Investments and Advances". Those are such items as advances to the Atomic Energy Board, and the National Harbours Board. Some of them are recoverable. On some of them interest will be paid. On many of them interest will not be paid. We vote the money under this fancy name of "Loans, Investments and Advances", and we can kiss much of the money goodbye, for it will never come back.

One other point: We have already voted for the fiscal year just ending—I am not going to discuss supplementary estimates—

Hon. Mr. Macdonald: That is, not today.

Hon. Mr. Crerar: We have voted on supplementary supply bills a total of $153 million. We shall have another supply bill here in a few days. If the information we have been furnished with is correct, it will amount to $117 million. So we can look forward to supplementary estimates in this fiscal year amounting to $270 million.

The estimates for the new fiscal year are substantially above those of a year ago. On the two items I have given, the increase is a little over $100 million.

Hon. Mr. Aseltine: No; $90 million. It was $5,649,000,000 last year, and it is $5,740,000,000 for the coming year.

Hon. Mr. Crerar: To that you must add the increase in old age pensions. Anyway, I will take my honourable friend's figure of $90 million. Then if we look at the defence estimates we see there has been a decrease in the amount. We shall be asked to vote

this year, according to information now available to us, a lesser amount by almost $90 million. In any way we look at it, the total vote is a substantial increase over the vote that Parliament gave the Government at the last session of Parliament a year ago.

I would offer this criticism, that the Government has not used the pruning knife with sufficient energy. We hear a good deal of talk these days about the spending of money. It has been suggested in certain quarters, in a fairly high place, that we are living beyond our means. I profoundly believe it. I look at all the provincial budgets that have come to my notice and there is not a single one of them that has not very substantially increased its spending over a year ago. The important thing is—and let us never forget this—that the total amount of money taken out of the taxpayers' pockets by all levels of Government is increasing. Today we have the peculiar situation of one Government trying to throw responsibility on another Government; there is no co-operation between them. The overall load is increasing in a rather startling fashion.

Honourable senators, my criticism of the Government on this question—and this is the first opportunity we have had to state it—is that it has not cut its expenses sufficiently this year under the circumstances in which we live. We are building up a great edifice of expenditures at all levels of government, and we shall be extremely fortunate indeed if we do not pay some penalty in the future for our rather extravagant habits at the present time. I think that is of prime importance. Frankly, I regret that the Government found itself apparently unable to come and do what I think should have been done, present Parliament with an estimate of expenditures $100 million less than a year ago. Had we found ourselves in that position I would have been quite willing to give the Government a cheer. As it is, I can offer nothing but criticism.

Hon. W. Rupert Davies: Honourable senators, this is an opportunity to say something which has been on my mind for a long time. It was brought to my attention by the honourable senator from Churchill (Hon. Mr. Crerar), when he said he looked around and saw a number of senators who sooner or later, probably sooner, would be on the old age pension list.

My understanding is that no one gets on that list unless he applies for the pension. I would ask the Leader of the Government in the Senate (Hon. Mr. Aseltine) to suggest to the Government that it take a very serious look at the old age pension system and see how many people are drawing the pension who certainly do not need it. I know that companies pay a three per cent tax, and three per cent is paid in income tax, and I think three per cent on certain luxuries on which there is a sales tax. That is all right. Admittedly, we contribute. I have discussed this matter with some people who do not need the old age pension, but who are drawing it, and each one says, "Well, I am getting back some of what I pay in income tax." I think we should take a broader view, and that men and women with high incomes should not take the old age pension. The pension should be reserved for those who need it—and there are a great many such people in this country, I am sorry to say.

That is why I think it would be a good idea for the Leader of the Government to suggest to the Government, or to the Department of Finance, or to whomever the suggestion should be made, that consideration be given to the placing of some restriction on the payment of old age pensions to men and women who have incomes above a certain amount.

Hon. Mr. Aseltine: Has the honourable senator in mind the establishment of a means test?

Hon. Mr. Davies: No. I have in mind the fact that if a man has an income of, say, $10,000 a year he does not need the old age pension and should not get it. Of course, some people might want to live at a higher level than $10,000 a year, but I think some level of income should be set as a limit for recipients of the pension. I do not feel that a person with an income of $30,000, $40,000, or $50,000 a year should be drawing $55 a month from this country as an old age pension just because he happens to be paying a three per cent income tax. Sooner or later, if we do not give serious consideration to this question we shall be obliged to have a contributory plan for old age pensions, and everyone will have to contribute toward it, as is done in Great Britain, where there is a contributory plan for a number of things.

Honourable senators, I rose to make this suggestion in connection with the old age pension because I feel that a great many people are drawing the pension who do not need it, and that this is one of the extravagances which the Government might find it easy to omit.

Motion agreed to and bill read second time.

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

Hon. Mr. Macdonald: Next sitting.

Hon. Mr. Aseltine: Honourable senators, as we shall probably have the final supplementary estimates before us tomorrow, I am wondering if the house would unanimously agree to third reading of this bill now, or do honourable senators prefer to have it tomorrow?

Hon. Mr. Macdonald: Next sitting.

NATIONAL DEFENCE

WITHDRAWAL OF FORCES FROM ALDERSHOT, NOVA SCOTIA

Hon. John A. McDonald inquired of the Government, pursuant to notice:

The recent withdrawal of our active military forces from Aldershot is alarming as it leaves Greenwood Airport, Cornwallis Naval Training School, Halifax naval and airforce signal stations, civil microwave equipment, radar posts and Kelley Lake Airport all without the necessary protection of a mobile field force in the vicinity.

Since the small number of troops in Halifax have definite duties from which they should not be withdrawn, the nearest available mobile force is at Gagetown, a good day's travel away for even a passenger car; therefore I would ask the Government if it would not give consideration to establishing at Aldershot the seemingly necessary protection of a strong mobile force?

Hon. W. M. Aseltine: Honourable senators, I have received the following answer to this inquiry:

It is considered that there is no need for the establishment of such a force at Camp Aldershot. Present arrangements are deemed adequate for the security of this area and the local protection of the service installations mentioned is the responsibility of the Service concerned.

NEWFOUNDLAND

FLAG AND COLOURS

On the notice of motion of Hon. Mr. Pouliot for production of the following papers:

Pictures of a) the National Flag for Newfoundland;
b) colours to be worn by Newfoundland vessels; and
c) the Badge for the Newfoundland Flag as described in the National Flag Act and schedule. (Revised Statutes of Newfoundland, 1952, c. 272, amended by 1954, Newfoundland. No. 45).

Hon. Jean-François Pouliot: Honourable senators, this motion has been standing in my name on the Order Paper since the 9th of March. In our race to get the information I had the honour to be neck and neck with the honourable Leader of the Government (Hon. Mr. Aseltine), and I have won by a nose.

I have the pictures asked for in my motion, but I can hardly place them on *Hansard*. This information came after correspondence I had with the Premier of Newfoundland, who addressed a meeting here in Ottawa and spoke about the flag. In my letter I asked him if he had spoken in his private capacity as an individual, as a Canadian, or as Premier of Newfoundland. The letter was sent to him in the beginning of December, and he did not have the time to concoct an answer to my question. He could have answered me by repeating the last sentence of the speech that I made on May 29, 1946 before the Joint Committee of the Senate and the House of Commons on a national flag for Canada, and which reads as follows:

If the choice of a distinctive national flag is premature, we have only one thing to do: Let us stay where we are; let us keep the Union Jack alone and a full-sized Union Jack as an emblem of colonialism to show that we have regressed a century backward to colonial status. Thank you, gentlemen.

Now I have asked about the national flag of Newfoundland. It is the Union Jack, but they call it the Union flag. It is the Union Jack only when it is flown on the mast of a ship; on land it is the Union flag, according to heraldry.

I asked for pictures of the colours to be worn by Newfoundland vessels. It is called a red ensign, and in the middle of it there is a badge which is described in the Statutes of Newfoundland, 1952, Chapter 272, as amended by No. 45 of 1954. The badge consists of a representation of Mercury, the God of Commerce and Merchandise, presenting to Britannia a fisherman who, in a kneeling attitude, is offering the harvest of the sea, all as described on the Great Seal, and followed by the motto *Haec tibi dona fero*, which, translated, means, "These gifts I bring to you." So what is on the flag? On the badge is a Newfoundlander kneeling down to offer gifts to Britannia, in front of Mercury. Why Mercury, I do not know.

This is very interesting, because it dates back to 1637, and I thought that from a historical point of view the Senate should be acquainted with my question which I worked hard to answer as best I could.

NATIONAL HOUSING BILL

THIRD READING

Hon. John G. Higgins, for Hon. Mr. Hnatyshyn, moved the third reading of Bill C-53, to amend the National Housing Act, 1954.

Motion agreed to and bill read third time and passed.

DIVORCE

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved third reading of the following bills:

Bill SD-259, for the relief of Real Blier.

Bill SD-260, for the relief of Viola Elsie Ann Johnson Anderson.

Bill SD-261, for the relief of Margis Wellisch Ruszugar Hancz.

Bill SD-262, for the relief of Janina Lukaszewicz Soloducha.

Bill SD-263, for the relief of Arthur Woodbridge Dale.

Bill SD-264, for the relief of Maria Jacoba Arens Mannens.

Bill SD-265, for the relief of Gerard Henri Turgeon.

Bill SD-266, for the relief of Nancy Jane Wyllie Wood Aylwin.

Bill SD-267, for the relief of Yves Brodeur.

Bill SD-268, for the relief of James Joseph Sceviour.

Bill SD-269, for the relief of Leon Zygowski.

Bill SD-270, for the relief of Neeltje Doruijter Van der Spoel.

Bill SD-271, for the relief of Paul L'Heureux.

Bill SD-272, for the relief of Joseph Daniel Bernardin Daigle.

Bill SD-273, for the relief of Giovanna Intini Mancuso. (Annulment).

Bill SD-274, for the relief of Eileen Williams Gushue.

Bill SD-275, for the relief of Jean Eleanor Jackson Connell.

Bill SD-276, for the relief of George Henry Basil.

Bill SD-277, for the relief of Eileen Kathleen Astley Craig.

Bill SD-278, for the relief of Edith Tobat Heinemann.

Bill SD-279, for the relief of Davis Zave Garmaise.

Bill SD-280, for the relief of Marie Frederique Raphaelle Mireille Fortier Kingsbury.

Bill SD-281, for the relief of Franko (Franz) Stapinskyj.

Bill SD-282, for the relief of Eva Facey Lund.

Hon. Jean-François Pouliot: Honourable senators, before these bills are passed I would like to give some information about an answer to a question I asked concerning the appearance of private detectives before the Divorce Committee. The answer given to me apparently was as complete as it could be, but it was not disposed of as I would have liked it to be. I do not complain, because it requires quite a lot of time to make the statistics comprehensive. What was placed on *Hansard* of March 17, at pages 373 and 374, was a list of the names of the private detectives who appeared before the Divorce Committee during the sessions of 1955, 1956, 1957 (first and second sessions), 1958 and 1959—six sessions in all.

I asked my secretary to prepare another tabulation, putting the names of the detectives in alphabetical order so as to show the total number of detectives who have appeared before the committee during the six sessions. She did so, and afterwards she prepared a tabulation indicating the number of cases in which each one appeared during each one of the six sessions. By looking at it one can, without any difficulty, find the number of cases in which any one detective appeared. From the information that I was given on March 17 it is impossible to tell at first glance the total number of divorce cases submitted to the committee. It was necessary to make an addition. It would have taken a long time to find out in how many cases each detective appeared.

This tabulation indicates the total number of cases for each of the six sessions as follows:

Session	Cases
1955	548
1956	444
1957 (1)	536
1957 (2)	270
1958	443
1959	565
Total	2,806

That is quite a large number, but it represents about half the number of cases that come before the provincial courts.

Another interesting question was the number of detectives that attended at the cases. The names had to be arranged in alphabetical order, and the calculation shows a total of 156 detectives in all.

What is also very interesting is to make a differentiation between the private detectives who have appeared in a very small number of cases and the big fellows who have appeared in hundreds of cases. It is a distinction that is important to make, and it is very difficult to do it without proceeding in the manner in which it was done on my instructions. I will take nine of them.

There is Kal Wiseman who had 63 cases in the six sessions; Barney Tulin, 71; Sam Garelick, 77. Then it goes up. Mr. Laurence Steele had 102 cases; Clovis Paquette, 180; Jerry Brault, 244; Charles Charron, 252; Gerard Daigneault, 339; and Mr. Etheridge, 379. That is a total of 1,707 cases for nine detectives. If we subtract the three less important ones who had respectively 63, 71 and 77 cases, or a total of 211 it means that six private detectives appeared in 1,498 cases. One has only to divide 1,498, or 1,500, by

six to realize the very large number of cases, and the size of the clientele, of those private detectives. It was much more than the average. If we divide 2,806 by 156 we have an average of between 11 and 12 cases for each one, but Mr. Etheridge had approximately 30 times the average number of cases, and the same thing applies to Mr. Gerard Daigneault. It is very dangerous.

I wonder if the Senate would have any objection to including in the record this tabulation, based on the previous one which appears in *Hansard*, but which makes it more comprehensive. I have considered the matter objectively. As I have said before, my intention is to try to be of help to my colleagues in having them take the least possible time in dealing honestly and concientiously with these matters. The detectives are here in more cases than are many lawyers, and whether it is good for them or not I will not discuss now, but I find that the number of cases handled by the half dozen detectives is quite stupendous. This calculation has never been made before, and I would like to place it on the record of the Senate for future reference, if necessary.

Some Hon. Senators: Agreed.

Hon. Mr. Pouliot: I thank you very much.

For tabulation, see appendix "A" to today's Hansard, *pp. 453-5.*

There is something else I want to say. All the information is there. I have extracted it myself. I do not complain. The staff of the Divorce Committee is very busy, and it has not the time to extract all that information. However, it could be done and it was done, and I am very glad to give my colleagues the opportunity of benefiting from it.

There is another thing I want to say about this matter of divorce, dealing with it objectively and considering it upon its merits. I refer to the procedure. I was struck by the number of senators who appear on the Divorce Committee. I understand the membership of the committee is 25, and that a sub-committee of three or four hears each case, which is afterwards referred to a much larger committee. I might say that I have just made these calculations from the last committee reports, which I have chosen at random and not selected in any way whatsoever.

Two cases were submitted to 5 senators; 3 to 6 senators; 23 to 8 senators; 2 to 9 senators; 9 to 10 senators; 19 to 11 senators; 26 to 12 senators; and 25 to 13 senators, which number is four more than the complete bench of the Supreme Court of Canada.

Honourable senators, I feel that one must have a sense of proportion. I trust my colleagues, I have confidence in them, I admire them, and I believe that three senators are enough to decide most of the divorce cases. I do not see why 13 senators should meet together to discuss a case which is similar to the one preceding it and similar to the one which will come after. Until there is another occasion to discuss the matter from another angle I suggest that they divide the work and not gather together in a large number to listen to the same story and come to the same conclusion. This is said in the best possible spirit.

Naturally some of my colleagues contend that because some of us do not belong to the committee we should not speak about it, but there is still more to say. In the Senate I once mentioned that the Senate was called a divorce mill. I did not have at hand the newspaper which reported it, but it was published in very large letters and can be easily seen: "Ottawa is a divorce mill". It has been published regularly. Not long ago in the largest French-language newspaper, *La Presse*, there was an article about the Senate being a divorce mill. I do not think it is fair to the members of the Divorce Committee nor to the members of the Senate, but this is the impression that some journalists may have of the Senate: *"Ottawa est une usine à divorce"*. It applies to the House of Commons as well as to the Senate.

Honourable senators, this is quite enough for tonight. My honourable colleagues will have an opportunity to look at these figures that I have given and those that are on the tabulation, and they will see that sometimes it may happen that some work that does not seem conformist may be useful.

Hon. Mr. Roebuck: Honourable senators, I must say something in reply, although I think we are both out of order. I compliment the honourable senator from De la Durantaye (Hon. Mr. Pouliot) upon his skill in mathematics. He has done a wonderful job of subdividing, adding, subtracting and so forth, and I have no doubt the results will be very interesting. I appreciate also the amount of labour that his secretary has done to accumulate all these subdivisions. But I would like to point out to the Senate in general that here we have in two pages of *Hansard*, double columns, a list of names of detectives. Beside the names are the number of cases in which the various detectives appeared. It will be clear to any honourable senator who looks at it just how much work this question laid upon the staff of the Committees Branch. We have a very busy staff, a large portion of whose time is devoted to divorce work, preparing cases for hearing and so forth. My honourable friend from Rosetown (Hon. Mr. Aseltine) will back me

up in this. It is a big piece of work. To analyse every case that we have tried for the last six sessions, in the last five years, and pick out the various detectives and tabulate how many times each has appeared in each session has been a task of major proportion. I know that my own secretary joined in the force to try to get this work done. When she was not engaged on my particular work she was busy on this matter, devoting ten hours to it as just one of the staff.

I would request any honourable senator who contemplates questions similar to this to realize the burden he may be putting upon our very short-handed and overworked staff.

Hon. Mr. Pouliot: May I be permitted to interrupt my honourable friend? I was fair to the Committees Branch. I expressed my appreciation and moreover I said, or I wanted to say, that I give them credit for the work they are doing. I realize it was impossible for them to do the kind of work I wanted to have done.

Hon. Mr. Roebuck: I am merely pointing out as a matter of interest how much labour the question involved.

There are two additional comments I ought to make. The number of times a detective appears in various cases does not give any indication of his character and truthfulness, or the integrity with which he tells his story. If my honourable friend will look over the number of solicitors who have appeared he will find they are equally great in number, and that some have few cases while others have many. There is little significance to be attached to the fact that one detective has more business than another.

The third point I feel I ought to make is this. I should invite my honourable friend to watch the Divorce Committee in action. The number of senators that he counted were those of the general committee, which itself does not hear evidence. The general committee meets at 10.15 in the morning and takes about fifteen minutes to transact the business of the day, which consists largely of receiving reports from subcommittees, the discussion that follows naturally from those reports and the passing or refusing, as may seem fit, of the reports of the subcommittees and then itself reporting to the Senate. The subcommittees are seldom composed of more than three senators. That is the usual quorum. Usually there are three subcommittees, so that there are nine senators in all hearing the cases. My honourable friend is in error in his count as to what he thought were the number of senators hearing individual cases.

Hon. Mr. Pouliot: The large number of senators' names appears on each report.

Hon. Mr. Roebuck: That is true, for each report to the Senate is made by the general committee. If my honourable friend will look at the reports a little further he will see that a subcommittee has recommended to the general committee, and the general committee recommends to the house. He will find my signature, as chairman of the main committee, on every case, and he can find the signatures of the various chairmen of the subcommittees appended to their reports.

Hon. Mr. Pouliot: I realize that. All I want to do is to try to simplify the work and to lighten the burden.

Hon. Mr. Aseltine: You are not helping very much.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

On the Order:

Second Reading of Bill S-25, intituled: "An Act to make Provision for the Disclosure of Information in respect of Finance Charges".—(Honourable Senator Croll).

Hon. Mr. Roebuck: Honourable senators, at the request of the honourable senator from Toronto-Spadina (Hon. Mr. Croll), I ask that second reading of this bill stand for one week. Unfortunately, the honourable senator was obliged to fly to Windsor late this afternoon on account of the sudden death of a member of his family.

The Hon. the Speaker: The order stands for one week.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

(*See p. 451*)

DIVORCE

APPEARANCES OF PRIVATE DETECTIVES BEFORE COMMITTEE

Name of Detective	Number of Cases in Which He Appeared					
	1955	1956	1957	1957-58	1958	1959
Arbour, Marcel			3			
Archambault, Jacques		15	30			
Asselin, J. H. R.						1
Atkins, J. H.		4				
Aubin, Gérard			1		1	
Barr, Isidore			6			
Barr, Max			4			
Basil, Robert						1
Beauchemin, R.			1			1
Beaulieu, Albert						1
Bélanger, Laurent						1
Bergeron, George	4					
Binette, Léopold			1			
Blizard, Aubrey K.			2			2
Bourdeau, Ernest	4					
Bourget, J. Marcel		3				
Boyer, Marcel	1					
Brault, Gerry	16	44	58	29	41	56
Breard, Eugène						2
Brian, Nelson						35
Brisebois, Roger				1		
Brooks, Harry				2		
Brunelle, J. P.	7	1			1	
Brunet, Jean-P.				1		
Burne, Ronald	3	1				
Caduc, William		2	2			
Charron, Charles	77	49	30	19	41	36
Chartrand, Jacques						6
Chatelois, René		4				
Clarmont, Wilfrid					1	
Costello	5			1		
Côté, Jules		1				
Côté, Ubald		2		2		
Cousins, Herbert		4				
Daignault, Gérard	84	60	62	31	45	57
Daneau, Edmond						2
D'Avignon, Gilles	17	60	24			
Demers, Gabriel	3					
Demers, Roberto			1			
Denis, Raymond					2	
Dery, Paul				1		
Descary, John			1			
Dick, Albert		3				
Doganieri, Armand						1
Doganieri, Donat			1			
Dolan, Elcer		1	1			
Drapeau, J. P.					1	
Dufort, Philip	2					
Dufour, Réal						2
Dufour, Lucien	4					
Etheridge, E. G.	89	60	77	36	50	67

Name of Detective	Number of Cases in Which He Appeared					
	1955	1956	1957	1957-58	1958	1959
Evans, Eugène				3		
Faucher, G. R.			23	5	10	10
Fontaine, Roger					4	
Forest, Henri				14		
Forland, G					1	
Fortin, Paul				2	1	1
Frankson, B. K.					1	
Frayne, Allen	1					
Frayne, Antcliff	1					
Gagné, Lucien	1				2	1
Gallagher, Neil	15					
Garelick, Samuel		1	19	13	23	21
Gascon, Albert	1					
Gauthier, George						1
Gilman, Joseph				8	5	
Girdler, Sam F.			2			
Golden, Abe	4	9	8		7	5
Gomola, Joseph				1		
Gore, Irving					1	
Graham, Gérald	5				3	2
Green, I. J.	6	7	5	4	6	6
Grippeau, Theodore				3		
Guilbault, C.	2					
Halikas, Peter					1	1
Hammond, E. D. L.						1
Hider, George C.	6					
Holt, George T.					2	3
Hulme, R. C.						4
Humphries, Roy				6	8	2
Inding, Sam						19
Jannelle, Albert						1
Kennedy, Donald			10		4	4
Kenner, Edwin		1	1			1
Kyser, Norman					1	
Laffin, T. H.	2	7	1			
Lamarche, L.	1					
Lapierre, Roger				1		
LaRue, Clément	2					
Laurier, Julian		10				
R. Lavallée	1	3				
Lawrence, J. R.				1		
Leblanc, Albert			1			
Leclair, Marcel						6
Lemay, Paul	1	1				
Lemieux, Gabriel			1			
L'Hereault, Juliette			1			
Lymburner, L. M.						1
Maisonneuve, Armand			7			3
Maillard, Jean	1		1			
Mancini, Camille		11	10			6
Manel, Joseph	4					
Massue, Pierre					3	1
Maxham, H. G.	14					
Ménard, Henri		1	1			1
Mockeridge, Harry						1
Mullins, Patrick				1		
Mustill, Stanley						2
Nadeau, Roger	2					
Nelson, Bryan					38	
Obront, Morty					5	
O'hara, Ralph			2		1	

Name of Detective	Number of Cases in Which He Appeared					
	1955	1956	1957	1957-58	1958	1959
Oberunt, Mortimer			2	4		4
Odell, Howard	2					
Olch, Gerald					1	1
Ouimet, Paul	1					
Packer, Gerry					2	
Paquette, Clovis	28	19	26	25	32	50
Pelletier, Amabel	3					
Phillips, James					1	
Pichette, Maurice	3	18				
Plamondon, Fernand					1	
Poirier, E. D.						1
Pominville, Gaetan						1
Proulx, B. C. A.		1		1	1	
Proulx, Conrad						1
Ratcliff, R.						1
Rees, Douglas W.	7	4	19			
Rhéaume, Anita					1	
Riddell, William					10	5
Robins, Gerald			6			
Rosen, Peter			23	18	19	37
Rousseau, Charles		1				
Russell, J. W.					1	
Santerre, Paul	4					
Shaliakin, Alexis		1	1			
Shames, Harry				4		
Smallwood, Paul		1				
Sokoloff, Alex			5			
Soloway, Morten				2		5
Steel, Laurence	26	15	20	11	14	16
Stevens, Geo.	13	2				
Tardieu, Michel	2					
Telford, Allan					2	1
Thompson, Ernest				1	1	
Toupin, Vivianne					1	
Tulin, Barney	18	13	16	8	8	8
Turgeon, Lise	4					3
Vézina, Alfred	1		4		2	5
Vinet, Jean			1		7	3
Widgington, J. R.	50					
Williams, R. S.		1	2			
Winager, James			1			
Wiseman, Hyman				5	4	28
Wiseman, Kal		3	11	7	23	19
Worthing, Robert			1			1

APPENDIX "B"

(*See pp. 438-9*)

ELECTRICAL ENERGY EXPORTS FOR CALENDAR YEAR 1959

Licensee	Licence Authorization Terminating March 31, 1960 Thousands of KWH		Actual Exports for Calendar Year 1959 Thousands of KWH		Reported Value of Export (Excluding Tax)
	Firm	Surplus Interruptible	Firm	Surplus Interruptible	
					$
1 Hydro-Electric Power Commission of Ontario	395,280		394,200		1,742,280
2 Hydro-Electric Power Commission of Ontario		5,402,160		3,095,884	8,363,971*
3 Cedars Rapids Transmission Company.	658,800		494,332		1,199,728
4 Canadian Niagara Power Co.	327,643		284,258		931,250
5 Canadian Niagara Power Co.		243,317		46,982	155,657
6 Ontario-Minnesota Pulp & Paper Co.	48,312		43,378		252,026
7 Maine & New Brunswick Electrical Power Company	43,920		37,132		354,192
8 Maine & New Brunswick Electrical Power Company		43,920		14,296	131,973
9 British Columbia Electric Railway Co.	4,392		1,477		25,768
10 British Columbia Electric Co. Ltd.		**		12,414	37,243
11 West Kootenay Power & Light Co. Ltd.	4,392		17		374
12 Southern Canada Power Company	6,588		4,878		70,308
13 Southern Canada Power Company		131,760		46,883	188,177
14 Northern British Columbia Power Co.	220		19		1,360
15 Fraser Companies Ltd	13,176		403		1,814
16 Fraser Companies Ltd		87,840		65,571	294,970
17 Detroit & Windsor Subway Co.	2,635		418		1,379
18 Manitoba Power Commission		220		36	770
19 New Brunswick Electric Power Commission		307,703		39,684	281,748
20 British Columbia Power Commission		**			
Totals	1,505,358	6,216,920	1,260,512	3,321,750	14,034,988

* December figure estimated.
** Export is irregular.

THE SENATE

Wednesday, March 30, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Canadian Broadcasting Corporation Capital and Operating Budgets, for the fiscal year ending March 31, 1961, together with Order in Council P.C. 1960-402, dated March 29, 1960, pursuant to section 35 of the Broadcasting Act, Chapter 22 of the Statutes of 1958, and section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Report on the Operations of the Public Service Superannuation Act, for the fiscal year ended March 31, 1959, pursuant to section 34, Chapter 47, 1952-53 and section 49, Chapter 64, 1953-54, of the said Act. (English text).

Second Report of the Royal Commission on Energy, dated July, 1959. (English and French texts).

Budget Papers presented by the Honourable Donald M. Fleming, M.P., Minister of Finance, for the information of Parliament in connection with the Budget of 1960-61. (English and French texts).

CANADA'S CENTENNIAL

SUGGESTIONS FOR CELEBRATION—DEBATE ADJOURNED

Hon. Donald Cameron rose pursuant to notice that he would "call the attention of the Senate to Canada's Centennial Year 1967 and suggest that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future".

He said: Honourable senators, at the outset may I join my colleagues who have spoken before in welcoming the new members to this chamber and wishing them long and happy years here.

Honourable senators, the completion of one hundred years of growth and development is always an important milestone in the history of any human agency. The completion of the first hundred years of growth and development of a sovereign nation is an event of history which happens so rarely that it is a special occasion not only for the nation concerned but for the entire world. When the occasion concerns a nation like Canada, with its historical, bicultural tradition, with its record of substantial achievement, its strategic location among world powers and its tremendous potential for the future, this is not an ordinary occasion, but one which should be seen in the perspective of history and in the potential of the future. The first hundred years of Canadian nationhood should be recognized as a milestone in the march of destiny in which we record the achievements of the past, assess the weaknesses of the present and establish a benchmark from which to project the future.

While a Centennial celebration can and should contain many elements, it must be the occasion of a national stocktaking from which Canadians will obtain a national balance sheet and an inventory of Canada's achievements, her assets and debits, and a prospectus for the future. Such a national inventory will show a territory of 3,684,723 square miles —huge in the geographic sense and as yet only developed in the southern fringe. It will show a nation with 3,000 miles of undefended frontier on the south and 5,000 miles of undefended and undefendable frontier facing Asia in the west and Russia in the north. Her eastern frontier makes her inevitably a member of the Atlantic Community, subject to all of its ethnic, historical, economic and political involvements. While the natural trading lines of this vast storehouse of resources should be north and south to complement those of our southern neighbours, history, tradition, and politics have decreed that these lines must run east and west, thereby creating some of the physical and economic strains which have plagued, and are likely to plague, in accentuated degree, our fiscal policies of the future.

Within the confines of this great land and water mass, comprising less than 2 per cent of the earth's surface, lives a population of 17½ million people—a population so small in relation to its resources that it can neither defend them nor develop them without the help of others. This lack of population is another of Canada's problems which casts its shadow on the future and calls for policies that are bold, imaginative and new.

Canada, as a middle power which has exercised an influence in world affairs beyond her numbers and strength in years past, is now in the difficult position of having to choose whether she is to continue the role of impartial arbiter among the nations, a role she has gained because the nations of the world community knew that Canada wished nothing for herself except peace and prosperity, or to sacrifice her reputation for impartiality by being tied, on the one hand, to the policies of the United States and, on the other, to the Atlantic involvements of NATO. Certainly she can't have it both ways. These are difficult and complex decisions to make, yet they are part of the national inventory which should be made if we are to use the opportunity of the Centennial year

for the kind of national stocktaking which can be worthy of our best efforts and productive for the future.

The noted Chicago architect D. H. Burnham has penned some lines which I think set the stage for the kind of thinking that should guide our planning for the Centennial:

> Make no small plans; they hold no magic to stir men's blood.

This is the concept I would like to see applied to our planning for 1967 and I suggest this is the kind of concept which will be necessary to enlist the resources and enthusiasm of all Canadians if we are to make our Centennial the milestone of history it should be.

There are signs that plans are beginning to be made, and these are not a moment too soon. On May 6, 1959 the Canadian Association for Adult Education and the Canadian Citizenship Council held a one-day conference of voluntary agencies in Toronto to give some preliminary consideration to plans for 1967. This was mainly an "idea" session and was productive of a lot of useful suggestions as to the kind of things that might be done. Some thirty-two organizations were represented. The general consensus of the conference was that 1967 should be much more than a year of entertainment and celebration, although these aspects should not be neglected. There was general agreement that in addition to making a start in correcting and strengthening those elements in our national life which had been neglected, we should also take steps to get under way as early as possible a great variety of activities which would go far toward making many of Canada's aspirations and dreams a reality by 1967, and that if we were to do so there was need for careful thought, detailed planning and co-ordinated effort between private citizens, community and business organizations, and Government at the municipal, provincial and federal levels. In other words, if we are to achieve maximum results there must be total effort and the fullest participation by all Canadians. Plans were made for a second conference to be held in Montreal, and this was convened on February 12, 1960. This conference too was well attended and was considered of sufficient importance to warrant the attendance of a federal cabinet minister.

In the meantime the federal cabinet had taken the initiative in establishing The National Committee on Canada's Centennial, a body representing the federal and provincial governments and selected private citizens. This body held its first meeting in Ottawa on February 8, 1960.

These developments are all to the good, but I respectfully suggest to the Prime Minister that there is need to establish, without delay, a National Centennial Planning Commission with broad powers and an assurance of the necessary funds to be expended in an orderly, imaginative and productive manner between now and the close of 1967. This commission should be so constituted as to be able to enlist the support of every citizen, every community, every business and every government in Canada. It should encourage every community to examine its own situation and to submit detailed plans as to what it could do with its own resources to make the Centennial a vital and memorable occasion in that community. In other words, the Centennial will not reach its full potential unless some central agency, representative of the entire nation, can encourage every citizen and every community to mobilize its resources of imagination, talent and funds to make the Centennial a living memorial for everyone in the community.

It has been reported that Canada is in the process of trying to attract the World's Fair to Montreal as one of the features of the Centennial year and that the federal Government is prepared to put up the sum of $20 million as an inducement. It has also been reported that the City of Montreal and the Province of Quebec have each promised to put up $5 million as further inducement. Let me say at the outset that a World's Fair in Canada will be a good thing and I can think of no more interesting nor more suitable place for it to be held in than Montreal.

Hon. Mr. Roebuck: What's the matter with Toronto?

Hon. Mr. Cameron: However, I could wish that the World's Fair could be brought to Canada in some other year than 1967. Let there be no misunderstanding: I think a World's Fair is good for business and that Canada, particularly Montreal and Quebec, would derive a lot of useful advertising and publicity from the venture. At the same time, while I do not think a World's Fair and Canada's Centennial are necessarily mutually incompatible, I do feel strongly that the fair would detract from the Canadian emphasis of the Centennial. It would take away resources of men, materials and money which would otherwise go into making the Centennial significant not just for 1967 but for many years thereafter. It would be my opinion that if the federal Government, for example, put up $20 million for the World's Fair, that would be $20 million which would not be available for investment in some of those

permanent values that could make the Centennial of real significance to the future.

In the event that Canada does succeed in getting the World's Fair I would suggest to the Government that it give immediate assurance that the substantial contribution to the fair will not be used as an excuse to curtail things that should be done for the Centennial. Secondly, I would hope that if we do have the World's Fair it should be planned in such a way that the Canadian section of it, representing a panorama of the history, achievements, resources, and potential of each of the ten Canadian provinces could be constructed and displayed in such a way that it could be converted into a travelling exhibition which would go on tour of every province of Canada. For example, I know it would be a good thing for western Canada if what might be called the Quebec section of the Canadian exhibit could go westward and be on display for two weeks in Winnipeg, thence go west to Regina, Calgary and Vancouver, returning by way of Edmonton, Saskatoon, Toronto, and then on to the Maritimes and finally to Newfoundland. Such an exhibition as one of the features of the Centennial year, if planned in such a way as to display through models, pictures, materials, books, musical and theatrical productions, the life of the people in each Canadian province, could have a lasting value. In this way we might recoup something of value to all Canada out of the expenditures for the fair and contribute to a better understanding and appreciation of those diverse elements which, blended together, make for such a rich and diverse kaleidoscope of Canadian life.

I have stressed the importance of an exhibition of this kind because I believe one of the features of the Centennial should be a project which would help us to understand each province and each region and to interpret them to one another in such a way that the great majority of Canadians who do not or cannot see at first-hand the far parts of our country should be able to get some feeling of it through the travelling exhibition. Fair grounds, auditoriums, arenas and trains could all be used. Admission could be charged and the whole project set up on a basis that would return the major share of its cost. I have dealt with the idea of a travelling exhibition first, not because I think it is the most important item of our Centennial bill of fare, but because it arose naturally out of the consideration of a World's Fair and the Centennial being held in the same year.

From this point I would like to enumerate a number of productive activities which would have the effect of recognizing and informing our people on the significant achievements of the past; to suggest a number of projects which if undertaken with vision and pursued with vigour could be completed in 1967; and finally, to suggest a number of things which might be worthy of tackling between now and the year 2000.

The federal Government has already established The National Committee on Canada's Centennial. If this committee can be armed with sufficient powers and funds to do the necessary job of organization, well and good. If not, immediate steps should be taken to convert it into a Centennial commission with the powers and resources to do what is necessary in the way of mobilizing the total resources of the country. The committee or commission must be the national clearing house and thoroughly representative of both governmental and non-governmental agencies. Each province should be asked to establish its own provincial committee, and likewise each municipality. Following this, all the non-governmental agencies should be invited to appoint their own Centennial committees, and these should be represented on municipal, provincial and federal committees. Local committees should be asked to explore and develop those matters of historical significance in their communities. This might take the form of writing, including books, poetry, plays, pageants, songs and films. Plans should be made to mark and develop historic sites, to plan and erect community buildings such as auditoriums, playgrounds, hospitals and parks, and to prepare an assessment of the communities' present achievements and a blueprint for their next forty years. While a lot of work would be duplicated across the country it would not be duplicated as far as most of the individuals who lived in a particular community were concerned, and there is no more effective way of securing the enthusiastic support of all of our people than by giving them a sense of partnership and participation in the building of Canada.

Having established its Centennial committee to work in co-operation with the provincial committee, each community should assess its contribution in terms of two general criteria. First, what are the physical and/or material assets which might be planned, prepared for financially and otherwise, with a view to having some specific project or building completed by 1967? Secondly, and even more important, what are the cultural developments which can be or should be undertaken and executed between now and 1967? This would include historical pageants, the writing of histories, the commissioning of works of art, music, ballets, plays, scholarships and the establishment of permanent

projects for the future. Small communities would obviously be limited in what they could do; therefore they should join with other communities in regional projects. Ethnic groups should be given the greatest encouragement in recording and portraying their own special contributions to the national life. For example, Ukrainian choirs and dancers might be organized and sent on tour. They might join with other groups in a series of folk festivals which would feature the music, the dances, the skills in needlework and other arts of each of the ethnic groups. These are just a few suggestions of the kinds of activities that might be done at the local, community or regional level.

In additon to encouraging and supporting the kinds of activities suggested for the individual and non-governmental groups and organizations, municipal and provincial governments should as a first responsibility make sure that the resources of talent, skills, material and financial capacities of individual business and non-governmental agencies are planned and co-ordinated in such a way as to achieve the maximum total effect. Beyond this these governments should assess their present position, determine the targets they would like to achieve between now and 1967 and the priority to be given to these targets. The targets might include the building of schools, auditoriums, hospitals, parks and parkways, recreation facilities, libraries, university buildings and colleges. Plans should not overlook the need to assess and plan for the business and industrial needs which must be the base upon which ideal and permanent communities can be built.

Municipal and provincial governments should assess now their anticipated needs for new government buildings of all kinds between now and 1967. They should reserve for opening in 1967 buildings of special significance to their communities, and these buildings should be planned with special care as to both design and *décor*. Artists and sculptors should be commissioned—the artists to do murals with appropriate themes, and the sculptors to cast in stone and bronze and other media suitable monuments and decorations. Municipal and provincial authorities should start planning now to commission works of art, music, literature and history designed to capture and preserve for all time the heroic exploits of the pioneers and founders of Canada.

Cities like Calgary, Vancouver, Stratford, Banff, Toronto, Montreal, Quebec, Halifax and the community of Cape Breton should start planning now for special centennial features of those activities with which these cities are associated in the public mind. For Calgary it would be the stampede and the pageant of the rangelands. Vancouver's festival might feature a number of themes from the exploits of Captain Vancouver, through the trials of the Hudson's Bay Company to the fabulous legends of the west coast Indians. Stratford might plan a Shakespearean spectacular to dwarf anything yet accomplished and send its companies on tour of the globe. The Banff Summer Festival might become in co-operation with the Canadian Pacific Railway a major summer tourist attraction for people from all over the world. The Festival Opera Company and the National Ballet Company of Toronto might conceivably replace Roy Rogers or George Gobel at the Canadian National Exhibition at Toronto. Gratien Gélinas and the *Théâtre du Nouveau Monde*, the Montreal Ballet and the Museum of Modern Art might even compete with the attractions of a World's Fair. Quebec City could feature a pageant of history with more colour and authenticity than any other city in Canada. Halifax could marshal its resources and produce a program with a distinctive flavour of the Maritimes and rich in the history of Canada. Finally, those doughty Scots of Cape Breton could stage the Gaelic Mod to surpass all others. Such are a few of the activities which might challenge the imagination, stir the souls and inspire our people to make the Centennial a living pageant of Canadian history and a milestone in our progress.

The responsibility of the federal Government in ensuring that Canada's Centennial will be worthy of the nation is great and far-reaching. In addition to taking the lead in establishing the machinery of co-ordination which will make for a truly national effort, the federal Government has the responsibility of providing the initial financial encouragement and making its appropriate resources and agencies available to the fullest possible extent.

On the physical and material side the Government should assess its present position and chart the course of its construction program for the next seven years, planning it in such a way as to have some major public buildings, some significant bridges, some major land reclamation, forest and water resources conservation projects, major national highway projects and possibly the all-Canadian section of the St. Lawrence Seaway. To pick a few specific examples, could we not plan to have completed, at least by 1967, in Ottawa, a centre for the performing arts? Surely the nation could compete with the provinces of Alberta and British Columbia, where the finest auditoriums in Canada are in existence today. Such a project, worthy

of the nation, might cost $10 million, but if the province of Alberta can spend $11 million on its two auditoriums in Calgary and Edmonton, and if Vancouver can spend $6 million on its Queen Elizabeth Theatre, surely the Canadian people can supply the funds necessary to provide a centre for the arts worthy of the nation's capital and in keeping with the development of the National Capital Plan.

While on this particular subject, I wish to make a special plea for a modern theatre and convention centre as part of the facilities of Banff National Park. A theatre and convention centre in Banff, which the Banff School of Fine Arts would be glad to operate, would cost between $1 million and $2 million, and would pay for itself in increased tourist business alone in a period of 25 years.

Further on this subject, I would like to put in a plea for an imaginative development of all of our historic sites, national monuments, and national parks in Canada. We should never forget these significant words of Joseph Howe:

> A wise nation preserves its records, gathers up its muniments, decorates the tombs of its illustrious dead, repairs its great public structures and fosters national pride and love of country, by perpetual reference to the sacrifices and glories of the past.

What more appropriate time to give new recognition to the importance of those words than by planning now to restore the magnificent fortress of Louisburg, the Halifax Citadel, and similar places which played such an important role in the history of our country and which can be made into admirable aids to the understanding of history and the development of national pride for our own generation and generations yet unborn? Last year 237,000 visitors registered at the Halifax Citadel; 26,000 visitors registered at Louisburg. I wonder how many thousands each year visit the Chateau de Ramezay and the old Bonsecours Church in Montreal, or, for that matter, the Plains of Abraham in old Quebec. It is time Canadians took a leaf from our American neighbours, who have done a magnificent job in preserving and marking such places as Gettysburg, Williamsburg and the Custer battlefield in Montana, to mention a few. Properly developed, our historic sites and monuments and our national parks can play a much more vital role than they are playing in developing an appreciation of our history and a love of our country. Properly developed, those places can lend distinction and colour to our land and make it a much richer place for the Canadian and foreign tourist as well. By establishing a scale of modest admission fees, as is done in other countries, substantial sums could be earned toward the maintenance of these national shrines.

While plans to develop our physical and material resources as part of our Centennial plans are important and must not be neglected, the phase of the Centennial which should excite our deepest interest and receive our most imaginative attention should be in the wide realm of those things having to do with the Canadian spirit, Canadian culture and Canadian nationality. Here again, the number of projects which could be thought of are legion, but the application of certain criteria would have the effect of limiting the projects, first, to things that are within our competence; secondly, to those which would be of significance in raising Canada's cultural, scientific and material standards; and finally, to those in which Canada could make a significant contribution to the world.

Taking first things first, it is recognized today that the basis of every country's standard of living, her material prosperity and her economic and military survival, depends on the quality of education it provides for its citizens. Education is the great propulsive force of modern civilization. It is more powerful than atomic and hydrogen bombs, and, if used intelligently, will make these monstrosities obsolete and unnecessary.

Recognition of the constitutional limitations under which the responsibility for education is vested in the right of the provinces does not absolve either the provincial or the federal Governments from doing what is vital and necessary in the national interest. Intelligent men of good will can and must find the means of adapting our constitutional procedures to the needs of the twentieth century. Fortunately, the recent agreement on university grants between the federal Government and the province of Quebec is the latest proof that men of sincere purpose and national stature can evolve mutually acceptable formulas. There should be no question but that the public schools should remain the responsibility of the provinces, although the time may come when, through the device of tax-sharing arrangements, the broader resources of the federal Government should assist the provinces in the capital cost aspects of education.

In the realm of higher education and research, there can be no question that in the interest of our economic and military survival the federal treasury will have to find means of supporting, to a much greater extent than now, our universities and technical colleges. My colleague the honourable junior senator from Winnipeg (Hon. Mr. Wall), in his excellent speech of March 11,

and my colleague the honourable senator from L'Acadie (Hon. Mr. Savoie) have each underlined how vitally important education is today. I shall not repeat what they have said so well, but I do want to put in the context of this address what needs to be done. With this in mind, I am going to suggest two steps which should be taken. First, the grants to Canadian universities, which are presently on the basis of $1.50 per capita, should be increased to $2 per capita in 1961, and $3 in 1965. Secondly—and here I support my colleague from Winnipeg, but in a Centennial context—we should establish 5,000 pre-Centennial scholarships in the arts, humanities and sciences by 1965, and in 1967 formally establish another 5,000, making a total of 10,000 Centennial scholarships. These might be divided as follows: 3,000 $500 scholarships available to undergraduates entering their second year; 3,000 $1,000 scholarships available to undergraduates entering their third year; 2,000 $1,500 scholarships available to undergraduates entering their fourth year; 1,000 $2,000 scholarships available to graduates working towards a master's degree; 500 $3,000 scholarships available to graduates working towards a doctoral degree; and 500 $4,000 scholarships available to students pursuing post-doctoral training. The total annual cost of such a program would be $13 million, and it would be one of the best national investments we could make.

One of the most imaginative and productive contributions in permanent values that Canada could make would be to take steps now to establish a number of research projects which with good fortune might conclude in 1967 with the holding of a series of world conferences in Canada on the social sciences and health. At these conferences, what might be called the Centennial Papers could be presented by teams of the most competent researchers mobilized by Canada from all over the world. The studies to be initiated now in two fields, as an example, should be of such a nature that if we were fortunate in finding solutions to some of the problems the results would be of benefit to not only Canada, but to all mankind. Could we find any more important or productive way of making our Centennial significant than by finding a solution to some of the ills of our society?

With this in mind, may we not say to our Social Science Research Council and to our authorities in public health: Will each of you suggest a number of problems which, if the necessary resources of trained manpower, facilities and funds are made available, might be modified or solved by seven years of intensive research? These agencies should suggest the budgets and facilities needed; and the Government of Canada, in co-operation with the provinces, industry, and private business might be asked to find the funds to get the projects under way. Examples of the type of project which would have far-reaching economic as well as humanitarian benefits, not only for Canada, but for the world, would be co-ordinated and concentrated attacks on such causes of economic loss in the area of public health as the common cold, heart disease, arthritis, alcoholism and cancer, and in the general field of preventive medicine.

In the social sciences and humanities, could not Canada establish projects designed to eliminate unemployment, to effect more equitable distribution of goods and services, to study the taxation structure at all levels of Government, to cultivate international understanding and preservation of world peace. These are all practical projects which would be of benefit not only to Canada, but to the world at large.

What would a Centennial Fund of one million dollars a year between now and 1967 enable us to do in the humanities and social sciences? And another million a year applied to the solution of agreed problems in public health? By putting teams of researchers to work now and by inviting a world conference on the social sciences, and another on health to Canada in 1967 and by presenting at the conference the results of our studies in the form of the Centennial Papers, is it not possible that with good fortune and through the mobilization of the best international brains we can find, Canada's Centennial Papers could mark the beginning of a new breakthrough in the realm of human knowledge? These are the kinds of projects which would make our Centennial different, productive and significant.

While the kinds of projects I have described are those which combine productive use of funds and national and even international significance worthy of a nation's Centennial, we must not forget that a Centennial should be a time of gaiety, entertainment and happiness. With this in mind, let us examine for a moment some of the purely cultural themes which our governments and our people ought to encourage.

Starting with governments at all levels, one of our targets should be to set standards of beauty in the development of our cities and in the erection of our public buildings. The principles of Ottawa's National Capital Commission should be extended to every city and municipality where governments erect public buildings. Governments should set the example in good architecture and

style. They should set the example in community planning to combine utility and beauty, and each public building should have provisions made for suitable and appropriate murals and sculpture. This should be standard practice, but for special buildings opened in our Centennial year particular attention should be given to suitably marking the occasion with mural decorations that are appropriate and significant. Private business has been setting a good example in this respect. One has only to mention the British American Oil building and the new wing of the Royal York Hotel in Toronto, or the new headquarters building of the Great West Life in Winnipeg, which has one of the most tastefully designed and decorated interiors of any office building in Canada. But enough of buildings. Let us turn now to those things of the spirit, of gaiety and fun.

The Government of Canada should, as part of our Centennial, commission our musicians, choreographers and playwrights to write operas, ballets and plays, and commission our painters to paint the land and its people in all its moods and beauty, so that Canadians may come to know and love their country, if not at first-hand, then at second-hand through travelling exhibitions of paintings, sculpture and handicrafts organized and sent on tour by our National and other galleries.

We should make plans to send the finest productions of the *Théâtre du Nouveau Monde*, the Crest Theatre, the Stratford Players, the National and Winnipeg Ballets, on tour both in Canada and abroad. Writers like Hugh MacLennan, Merrill Dennison, Donald Creighton, playwrights like Gratien Gélinas, Robertson Davies, Patricia Joudry, Gwen Ringwood, Elsie Park Gowan and a host of others should be commissioned to write plays and pageants which would capture for all time the colour and romance of our homeland and do it in such a way that it will communicate the spirit and vitality of Canada to the far corners of the globe. To our composers we should throw out the challenge to write the symphonies and the operas and the folk music of our country. I am sure the Healy Willans, the Arnold Walters, the Claude Champagnes, the John Weinzweigs, the Sir Ernest MacMillan, the Boris Roubakines, the Adaskins, the Hambourgs and many others like them can compose the music, the songs, the symphonies and the operas which will portray this throbbing land and its people in all its colour and diversity, from the banjo-playing cowboys of the rangelands to the rollicking voyageurs and lumberjacks of Quebec and New Brunswick.

The Canadian Broadcasting Corporation and our chain of private broadcasting stations have an opportunity here to contribute great things to the national life by joining with governments, community agencies and individuals, in deliberately encouraging Canadian writers, musicians, actors and ballerinas. The opportunity for the broadcasting and television stations to more than justify their licences is here for the taking. Will they seize it? If they do, they can greatly help to make the Centennial the success it deserves to be.

The Canada Council will have a special responsibility in planning for our Centennial, because theirs can be the initiative in commissioning works of music and art, in sending companies of players, choirs, orchestras and ballets on tour of Canada and beyond. Theirs can be the initiative in inviting to Canada, as part of our celebration, artists and groups from other lands. But the Council, with its limited resources, cannot do it all. Private groups, business and governments can supplement and help to enlarge what the Canada Council can do, and the Council itself can provide the spark which may kindle the flame of encouragement in many a local group. The planning and the achievement of our Centennial year can be a real time of testing of the courage, the wisdom, the strength and the imagination of Canada's cultural agencies—the C.B.C., the National Film Board, the National Gallery and the National Museum and Archives. These can all play a great role in helping to make Canada's Centennial a pinnacle of achievement in the arts in Canada. Let us hope they will rise to their opportunity.

In the course of this address I have tried to sketch in rough outline a few ideas which I think would help to make Canada's birthday celebration in 1967 a time of rejoicing, a time of happiness and a time of dedication. The celebration provides the excuse, if one were needed, to record and recognize the inspiring achievements of the pioneers who laid the foundations of a great Canadian nation. It provides the opportunity to examine our national inventory, to correct its deficiencies and expand its virtues. It provides the opportunity for us to make some imaginative plans and resolutions for the future, but above all it provides the opportunity for Canadians to assess themselves and to measure their achievements, their resources and their national dedication against the realities of life in the last and challenging forty years of the 20th century.

We are a nation endowed with natural wealth beyond the dreams of many people from older and less fortunate lands. We have a people enriched by the cultural streams of many nations. We have a system of justice that is the envy of many, a system of

government based on freedom of the individual and government by consent. In other words, by our own free choice we are what we are. We are free to choose our type of government, our standard of living, and the height of our material and cultural achievement. Maybe in the first hundred years of Canadian nationhood we have placed more emphasis than we should on the material yardsticks of success. In the next hundred years these yardsticks will be gained and surpassed by millions of people in the underdeveloped countries of the world. We can only claim a superiority for our way of life if, in addition to maintaining our material standard of life for all our people—and this means the elimination of chronic and recurring unemployment—we go beyond this material yardstick and also excel in those things of the spirit which can make even a small nation great. The Centennial will provide us the opportunity to stake a claim to a place of leadership among the nations. How well we may justify that claim, how well we shall rise to our opportunity, will be determined not by what we do in the material sense, important as this may be; but our success or failure on the road to the future will be determined by how well we succeed in establishing a new sense of values, a new appreciation of a man's worth and dignity, whether he be rich or poor, a new appreciation of the eternal values of life, truth and honesty, beauty and justice, and a new sense of discrimination which will help us to distinguish what is shoddy and bad from what is beautiful and good. These are the things that the Centennial will help us to decide.

The opportunity is great, and the rewards will be rich if we develop to the full the resources of a young and virile people whose talents are an amalgam of the best from many lands. We can rise to new heights in the realm of industry and the arts or we can accept the shoddy, the superficial and the inconsequential. The choice of Canadians of today will be as it was in the days of the pioneers, to live in friendship with all our neighbours, to help each according to his need, to work hard and enjoy life.

In conclusion, let us consider a few of the tasks we might set ourselves as a nation as we enter the second century of our nationhood. For example:

1. Abolition of unemployment. Surely we have the wit to devise some scheme or schemes that will be more productive and less demoralizing than unemployment insurance. Could we not devise instead employment insurance—a means of collecting funds in advance to ensure productive employment when normal sources fail?

2. Establishment of an organization for peace and disarmament. While we have today many agencies which are ostensibly devoted to the purposes of peace and disarmament, it might be that Canada, by virtue of her traditional position of objectivity and conciliation, could make a vital contribution to the promotion of peace and disarmament by assigning some of our defence funds to special studies and actions in the field of peace.

3. Establishment of an organization for feeding the hungry. Canada, as an exporter of foodstuffs on a large scale, has a greater stake than any other country in finding ways and means of feeding the world's hungry and at the same time curing the paradox of starvation in the midst of plenty. Surely we could set up a research team of biologists, economists, financiers and transportation experts to work with the Food and Agricultural Organization and others to solve this problem.

4. Establishment of a joint interprovincial-federal committee on taxation policies. Our federal-provincial tax structure becomes more of a complicated maze year by year. Wouldn't it be a good idea to establish a research committee, representative of the provinces and of the federal Government, to do a thorough investigation of the whole incidence of taxation and see if they could evolve some more rational and logical scheme than we have now?

5. Establishment of a national transportation policy which would regard all forms of transport—rail, water, truck and air—as one integrated task.

There are countless other tasks to which we ought to be applying the best brains of the nation. I commend these, together with the earlier suggestions, as being the kind of approach which would make Canada's first Centennial celebration both a significant milestone of the past and a landmark for the future.

Hon. F. W. Gershaw: Honourable senators, I am sure we are all grateful to the honourable senator from Banff (Hon. Mr. Cameron) for introducing this timely subject and making so comprehensive a contribution to it. My remarks will be brief, and of necessity on a much lower plane. However, I do wish to stress that when Canada is 100 years old it will be a time for rejoicing, a time for looking at the past and a time for planning for the future.

Three great nations have had an important influence upon Canadian development. From France we got the explorers, the early settlers, and a culture which has never faded.

From the United States we have had friendship, which has been a great blessing to us in times of war and of peace. From Great Britain we obtained our Parliamentary system, a love of freedom, a love of British justice, and a design for transition from an empire to a commonwealth state.

I was glad to hear the honourable senator recall the words of Joseph Howe, and I trust you will pardon me if, for emphasis, I repeat them. He said:

> A wise nation preserves its records ... gathers up its muniments, decorates the tombs of its illustrious dead, repairs its great public structures, and fosters national pride and love of country, by perpetual reference to the sacrifices and glories of the past.

We have had in Canada some great accomplishments and as well some great sacrifices. The name "Canada" in times long gone by probably meant a collection of huts, and as the Europeans—from France in particular, and from Britain—came in, some permanent settlements were established. Probably the first of such establishments was at Port Royal, in 1605, in the beautiful Annapolis Valley in Nova Scotia. There for the first time gardens were planted and some wheat was grown. Quebec was founded in 1608 under Champlain.

Some 150 years later the Battle of the Plains of Abraham was fought. After that the country Canada became a scattered collection of British possessions. In the next hundred years there were discord, friction and difficulties, and the leaders of those times decided that some scheme would have to be worked out by which all these scattered settlements could be gathered into one country. They succeeded beyond their fondest hopes, and Canada as it stands today is a monument to their statesmanship.

The Fathers of Confederation were determined that this country should no longer be a collection of huts and scattered colonies, but should be a young nation, with new life beating in its breast and a glorious future in its eyes, and that it would become the Britain of the West. That idea took hold with the people. What did they hope to accomplish? Many difficulties had to be overcome. They felt that interprovincial trade could be fostered. They thought that railway extension would more easily be accomplished. They thought that people of different classes would mingle together, and that consequently there would be stronger union. They also looked forward to acquiring more territory.

There was, as well, fear in their hearts, and they felt they should prepare for defence. As D'Arcy McGee said:

> If we remain as fragments we are lost. Let us unite and then we will stand as the rock that throws back the waves that are dashed against it without injury to itself.

There were other sectional difficulties that had to be overcome. The Act of Union of 1841 had failed to solve the political and racial difficulties of the times. The two provinces, Upper and Lower Canada, were so nearly equal in strength that a deadlock resulted. Upper Canada—Ontario—had to be persuaded that union would solve some of her trade and political problems. Lower Canada—Quebec—had to be convinced that its ancient rights in matters of language, religion and education would be preserved. The Atlantic provinces, which had traded with the south, knew that their economy would be upset by union. They had to be convinced that railway construction and the opening up of the west would compensate them for the burdens which Confederation would impose upon them.

Then, in the west, the powerful Hudson's Bay Company still had control of all the vast area drained by streams flowing into Hudson Bay. At that time very little was known of that great western region of primeval forests, great rivers, inland lakes, boundless plains and vast mountain ranges unsurpassed in grandeur and beauty. In the northern states railways had been built and settlers had gone in. Some of the settlers had come over into Canada and they were thinking they would like to see the United States Government in control of that part of Canada, and the annexation feeling was quite strong at that time in British Columbia.

These many difficulties had to be overcome, and the American Civil War which was just over at about that time had fostered hostility against Great Britain and against Canada. Most of the people of Canada, of course, favoured the North, but some Confederate soldiers got into Canada and made it a base for raids against Vermont and other parts of the States, and were not altogether controlled at that time. So there was fear that the United States might come and conquer Canada, and in 1886 the Fenian Raids made that seem even more likely.

The greatest work of the Fathers of Confederation was in reconciling all these diverse interests, and persuading the people of Canada that the common interest far transcended any local interest. They succeeded in accomplishing their great objective. After many conferences had been held the United Kingdom Parliament passed the British North America Act, whereby on July 1, 1867 Upper and Lower Canada, New Brunswick and Nova Scotia were united in one dominion called

Canada. Manitoba joined three years later, in 1870, and in 1871 British Columbia and Prince Edward Island joined. Then, in 1905, four districts of the Northwest Territories were united into two provinces, which joined the dominion, and in 1949 Newfoundland came in. So, we have the great Dominion of Canada, with its population of over 17 million people now, but which at that time had a population of 3.5 million.

There have been some sacrifices and some glorious accomplishments. During 20,000 or 30,000 years the Indians had roamed over that land in the west. They were the only inhabitants of that great solitude. They were lords of the forest and monarchs of all they surveyed. Then the explorer, the trader, the pioneer settler and the Christian missionary went into that country. Too much cannot be said for the devotion, heroism and courage of those ancient missionaries. They thought not of themselves nor of their comfort. They endured fatigue, frost and poor food, and they lived in wretched camps called wigwams with the dogs and the smoke. They endured resentment and torture in doing their noble work of spreading the gospel and helping the sick and the destitute. Their efforts were not always in vain. One was Bishop Rundle, who worked in the foothills of the Rockies. When he had to go away on account of sickness people said of him: "Poor he came among us; poor he went away, leaving us rich." For generations the tribes that he contacted held services and sang the sweet little Sunday School hymns which he had taught them. As beneficiaries of these sacrifices and accomplishments, we of the present day must be true custodians of our heritage. We must look after the material welfare of Canada, we must make our surplus foods available to the starving peoples of the world, and, as has been said, we must spend some time and thought on the finer things of life so that we shall pass on to future generations not a mountain of debt but, rather, for a heritage, a country where peace, happiness, health and right living abound.

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

APPROPRIATION BILL NO. 3

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-55, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

Bill read first time.

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

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. W. M. Aseltine: Honourable senators, I should like to have leave of the house to commence dealing with these supplementary estimates now. I might not be able to finish, but in the event that it becomes advisable to have royal assent tomorrow evening we shall have more time in which to consider them than we would have if we postponed consideration until tomorrow.

Honourable senators have had copies of the supplementary estimates in their possession for some two weeks or so. Although the bill has not been printed since it was passed this afternoon in the other place we have, nevertheless, 50 copies of it here. The bill contains only four clauses, with the supplementary estimates attached as a schedule. Is it agreeable to honourable senators that I commence dealing with the supplementaries this afternoon?

Hon. Mr. Roebuck: The bill will be distributed, will it?

Hon. Mr. Aseltine: Yes, we have 50 copies here to distribute. If the house so desires, I will ask the page boys to distribute them. I presume that honourable senators who have been studying the bill also have their copies with them. I remember asking honourable senators if they would study the estimates over the weekend. If they have done so I shall not have to go so deeply into some items as otherwise would be necessary.

Hon. Mr. Macdonald: I would agree with the suggestion of the honourable Leader of the Government (Hon. Mr. Aseltine) that consideration of the supplementary estimates be commenced at this time, but I would not like to hold out any hope that consideration will be completed this afternoon. We could at least start consideration now, and if any honourable senator so desires, the debate could be adjourned until tomorrow.

Hon. Mr. Aseltine: Honourable senators, with leave, I now move the second reading of the bill.

The total amount required to be authorized by the bill for the public service of the financial year ending March 31, 1960, is $117,844,324, of which $1,028,728 is for loans.

If honourable senators have studied these supplementaries they will be aware of the fact that the bulk of the $117,844,324 is made up of two items: Vote 640, for the purpose of recouping the operating loss of the Agricultural Stabilization Board, in the

amount of $57,661,176, and Vote 698, to cover the Canadian National Railway deficit of $43,588,290. These two items amount to $101,249,466, which is almost the total of all the supplementary estimates. The remaining ones amount to something like $16 million.

I propose to deal with the two largest items first and then come to some of the other large items, such as Vote 650, for $1,064,220, to reimburse the Agricultural Commodities Stabilization Account for dry skimmed milk donated to international relief agencies, organizations and Governments; Vote 675, in the amount of $2,344,000, for the Post Office Department; Vote 691, $825,-090, for the Prince Edward Island car ferry and terminals; Vote 692, $649,886, for the Newfoundland ferry and terminals, and Vote 706, $1,095,154, for steamship subventions for coastal services.

When I have dealt with all these items I shall be prepared to explain to the best of my ability any other items honourable senators might wish me to deal with.

Vote 640 is the estimated amount required to recoup the Agricultural Commodities Stabilization Account for the net operating loss of the Agricultural Stabilization Board during the fiscal year 1959-60 and, as I said before, it amounts to $57,661,176.

By way of explanation I would like to say that the Agricultural Stabilization Act, chapter 22 of the Statutes of Canada, 1957-58, was enacted to stabilize the prices of agricultural commodities and to maintain a fair relationship between prices received by farmers and cost of goods and services which they have to buy. Under the act, the Stabilization Board is required to stabilize the price of nine named commodities: cattle, hogs and sheep; butter, cheese and eggs; and wheat, oats and barley not produced in areas designated under the Canadian Wheat Board Act, at at least 80 per cent of the "base price", which is defined as the average price obtaining for commodities at representative markets for the ten previous years. Other commodities not named in the act may be stabilized at percentages of the base price prescribed by the Governor in Council. Under section 10 of that act the board has power to purchase any agricultural commodity at the prescribed price. It also has power to pay to producers of an agricultural commodity, directly or through such agent as the board may determine, the amount by which the prescribed price exceeds a price determined by the board. That is commonly known as a deficiency payment. It also has power to make such payment for the benefit of producers as the Governor in Council may authorize for the purpose of stabilizing the price of an agricultural commodity at the prescribed price. That is commonly known as a subsidy payment.

I could give honourable senators detailed information of how this sum of $57,661,176 is made up, but I do not know whether they want me to do so or not.

Hon. Mr. Roebuck: I think it would be as well to do so.

Hon. Mr. Taylor (Westmorland): May I ask the honourable leader (Hon. Mr. Aseltine), a question? Does the item $57 million include deficiency payments on hogs and eggs in existence, and which have been in existence for some weeks?

Hon. Mr. Aseltine: If I were to read the figures, I think that would answer the question.

Hon. Mr. Reid: Without giving all the details, have you the amount for hogs and eggs?

Hon. Mr. Aseltine: It is called pork here.

Hon. Mr. Reid: It was a hog before it became pork.

Hon. Mr. Brunt: It had to be.

Hon. Mr. Aseltine: For butter the estimated cost for the year ending March 31, 1960 was $3,023,691; eggs, $4,775,707; dry skim milk, $8,109,882; cheddar cheese, $109,-308; fowl, $137,336; B.C. tomatoes, $56,850; B.C. raspberries, $30,280; lamb, $362,510; pork, $24,650,428.

Those figures are the losses on the commodity products. The deficiency programs cover soya beans, of which the estimated cost for the year ending March 31, 1960 was $1,205,785; sugar beets, $2,656,720; and asparagus, $357,214.

Subsidy programs: wool $1,040,637; B.C. tomatoes, $37,926; milk for processing, $11 million. The amounts I have given total $57,554,257. If to that sum is added the loss underestimated in 1958-59, $106,919, the whole thing comes to $57,661,176.

Hon. Mr. Golding: Can the Leader of the Government (Hon. Mr. Aseltine) give the estimated cost to the Government of these products, and also tell us what quantity of products is on hand at the present time? I am thinking of eggs, butter, and so forth.

Hon. Mr. Aseltine: I have so much information here that I may have to spend a moment or two looking for these figures. Does my honourable friend want the figures for each of the commodities that I mentioned?

Hon. Mr. Golding: I would like to know how much of each product under price control is on hand at the present time.

Hon. Mr. Aseltine: I have here a table showing the estimated inventory as of March 31, 1960. The figures given are as follows: Butter 61,726,166 lbs; dry skimmed milk, 5,000,000 lbs.; cheddar cheese, 1,500,000 lbs.; B.C. raspberries, 2,576,986 lbs., plus 159,600 lbs. Hogs: frozen cuts, 33,599,750 lbs.; canned pork, 97,086,698 lbs.; canned hams, 8,331,-876 lbs.

Hon. Mr. Macdonald: What is the figure for eggs?

Hon. Mr. Aseltine: Eggs, nil.

Hon. Mr. Macdonald: Where are all these products stored?

Hon. Mr. Aseltine: I imagine they are in cold storage.

Hon. Mr. Macdonald: Yes, but where are the cold storage plants located?

Hon. Mr. Aseltine: I would have difficulty in trying to answer that question.

Hon. Mr. Macdonald: A great volume of these products is in storage and I am curious to know where they are stored. Has the Government cold storage warehouses throughout Canada?

Hon. Mr. Aseltine: I am not sure of that, but I understand they are stored and the Government pays the storage charges. I shall probably be able to get some information for honourable senators later.

Hon. Mr. Golding: Eggs are no longer subject to a floor price; the Government is not buying and storing eggs, but instead is going to make a deficiency payment on them. So there would not be any storage charges on eggs.

Hon. Mr. Crerar: May I ask my honourable friend a question? The total we are being asked to provide here is $57 million odd. Does that represent the accumulated loss up to the end of this month, tomorrow, or the estimated loss that may arise before final disposal of these large quantities of commodities which the Leader of the Government (Hon. Mr. Aseltine) mentioned a moment ago?

Hon. Mr. Aseltine: The estimated cost for the year ending March 31, 1960, is $57,661,176 —that is the cost to the board. That is what has to be made up.

Hon. Mr. Crerar: Then we may assume there may be, but not necessarily will be, further losses?

Hon. Mr. Aseltine: I would not want to say.

Hon. Mr. Taylor (Westmorland): Honourable senators, I understand the purpose of this item is to recoup the Stabilization Board for the loss that it has incurred up to the end of March. That does not apply to all stocks on hand at the present time and the losses that may occur upon their disposal. This amount is to cover only the losses of the board up to the end of the fiscal year.

Hon. Mr. Barbour: Honourable senators, I would like to ask the honourable leader a question. When the Agricultural Stabilization Act was passed we often heard it called insurance for the farmers. At that time the floor price of pork was raised from 23 cents to 25 cents a pound, and the price of eggs also was raised. Now, did the Government make a mistake in raising the prices at that time, so that now we have to do away with the floor prices and pay deficiency payments instead?

Hon. Mr. Aseltine: I think that is an argumentative speech you are making, sir.

Hon. Mr. Barbour: No, not at all.

Hon. Mr. Aseltine: I would not be expected to answer that.

Hon. Mr. Vaillancourt: If I am well informed, the Government has distributed free many million pounds of canned pork to hospitals and other charitable organizations. I suppose the cost of that distribution is included in this $57 million?

Hon. Mr. Aseltine: That would include the loss on the pork that has been given away, yes.

Honourable senators, I will now take up Vote 698, covering the Canadian National Railways deficit for the calendar year 1959. This vote is not as complicated as the one I have just been trying to explain. No amount was provided for in the main estimates for this item, and this supplementary estimate is for $43,588,290.

Section 9 of the Canadian National Railways Financing and Guarantee Acts of 1958 and 1959 authorized the Minister of Finance to make advances to the Canadian National Railway Company on deficit account to enable the company to meet its current financial obligations, subject to reimbursement from the annual revenues of the company in so far as such revenues are sufficient, and any insufficiency shall be provided by a subsequent appropriation by Parliament. Advances made to the company by the Minister of Finance on account of the 1959 deficit, under the above Statutes, are recoverable from this appropriation.

I would like to give a little information to honourable senators with regard to the operating budget of the Canadian National

Railway system last year. The operating revenues of the railway were $740,165,041; the operating expenses, $720,822,338, and net operating revenues, $19,342,703. When you deduct taxes and rents of $21,029,922 there is a deficit of $1,687,219. But there was other income of $11,017,815 from which the deficit is subtracted, leaving available for fixed charges the sum of $9,330,596, which when deducted from the fixed charges for the year, in the amount of $52,918,886, leaves a net deficit of $43,588,290, the amount of this appropriation.

Later on the president of the Canadian National Railway Company will be before our committee, as he was last year. Any further information required by honourable senators can be obtained at that time.

Hon. Mr. Burchill: May I ask the honourable gentleman if the amount for fixed charges comprises only interest on capital debt?

Hon. Mr. Aseltine: I am of opinion that that is correct. That is, the carrying charge on the debt.

Hon. Mr. Robertson: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) a question? Did we not a few years ago assume a tremendous amount of accumulated debt of the Canadian National Railways?

Hon. Mr. Burchill: We wrote it off.

Hon. Mr. Robertson: We wrote it off in a sense, but it did not disappear into thin air. It was assumed as part of the national debt of Canada. As I understood it, there was a reasonable chance that from then on the railway system was going to be on an even keel. Could the honourable Leader of the Government give any indication as to why in a period of relatively prosperous conditions there should now be such a large deficit?

Hon. Mr. Haig: Honourable senators, I can answer the question.

My honourable friend refers to the time we wrote off something like $1,000 million—at any rate, a huge sum. In committee I asked Mr. Gordon, the president of the railway, if this would be the last write-off and if we could look forward to the railway's being able to pay the interest on the balance of its debt. He said that it should be able to do so without any trouble at all. Last session, when Mr. Gordon was again before the committee, I asked him a similar question about the debt, and he told me that expenses had run higher than had been expected, that the transportation system had not earned as much money as estimated, and therefore they were short of the amount required to pay the charges on their debt. It is for that reason that we have to pay the extra money now.

Hon. Mr. Macdonald: Honourable senators, I think the explanation is that this huge amount of indebtedness was taken into the national debt of Canada, and the railway system started on an even keel, so far as arrears were concerned.

Hon. Mr. Reid: It started clear.

Hon. Mr. Macdonald: The railway still had a debt, but it had no arrears of interest. Under the present arrangement the railway does not carry a deficit from year to year. If it loses $43 million this year, the Government pays that amount.

Hon. Mr. Haig: Correct.

Hon. Mr. Macdonald: And the railway begins next year clear. If it does not make enough money to meet its running expenses, debt charges and so forth next year, the Government will again come along and pay the deficit.

Hon. Mr. Haig: Correct.

Hon. Mr. Macdonald: The difference is that the railway does not accumulate a great debt from year to year; the Government looks after any debt that occurs on an annual basis.

Hon. Mr. Brunt: Honourable senators, we are forgetting one thing, namely, capital expenditures made by the railway each year. In order to make those expenditures the railway company has to go into the bond market year after year and borrow money. There has been one bond issue this year for about $300 million. Of course it has to pay interest on its bonded indebtedness. If the railway operates at a loss the Government pays the deficit.

Hon. Mr. Crerar: Under the Canadian National Railways Capital Revision Act, which was passed by Parliament a few years ago, that part of the railway's debt which was considered to be irrecoverable was written off. It was hoped that from that time forward the Canadian National, one year with another, would be able to proceed upon an even keel. That hope has not materialized.

The expenditures referred to by the honourable senator from Hanover (Hon. Mr. Brunt) for equipment, dieselization and other improvements are capital amounts which are not included in this deficit, except in so far as interest upon the borrowings is included therein.

Hon. Mr. Brunt: That is right.

Hon. Mr. Crerar: The railway this year paid its operating expenses and, I think, made a contribution of some $7 million or thereabouts.

Hon. Mr. Brunt: $9,300,000.

Hon. Mr. Crerar: But the total interest charges, if my memory serves me aright, are in excess of $50 million at the present time.

Hon. Mr. Brunt: $52 million-odd.

Hon. Mr. Crerar: The item of $43 million is the deficit after the railway contributed what little surplus it had to the Treasury against the charges on the money borrowed.

Another feature about the Canadian National Railways is the manner in which it deals with its debt. The honourable Leader of the Opposition (Hon. Mr. Macdonald) referred to that matter a moment ago. If the Canadian National has a deficit, as it did in 1959, the Government provides the money to pay the deficit at the end of the year. But if in any year the Canadian National should have a surplus—and there have been one or two years when it did have a surplus over its operating costs and fixed charges on its debt—that surplus is paid into the Treasury at the end of the year.

I have never been enamoured of this method of financing the Canadian National. Should the railway have a surplus after paying all its fixed charges and operating expenses, the surplus is paid into the Treasury; if, on the other hand, it has a deficit over its operating costs and fixed charges, the Government foots the bill. We are footing it here today in this estimate for 1959 to the extent of $43 million-odd.

Hon. Mr. Burchill: The honourable senator from Hanover (Hon. Mr. Brunt) quite properly reminded us that every year the Canadian National Railways have had to borrow money for capital expenditures. One such item was for construction of the Queen Elizabeth Hotel in Montreal. I recall a discussion which took place in this chamber when that construction was undertaken, and the amount mentioned was a sizeable one. Can my honourable friend the Leader of the Government (Hon. Mr. Aseltine) tell us how that capital expenditure has worked out?

Hon. Mr. Aseltine: That is included in the other income of $11,017,815, which I mentioned in the statement.

Hon. Mr. Crerar: What is the amount?

Hon. Mr. Aseltine: Any profit from the operation of the hotel is included in the $11 million-odd.

Hon. Mr. Roebuck: May I ask whether the conundrum of the railroads and their continuing losses and deficits stems back to our statutory rates which have remained stationary for the last half century? The value of money has steadily decreased, while the cost of operation has continually increased. We must not complain if at times we have to make up the railroad's deficits, because we have regulated their earning ability. This subject is now being considered by a royal commission, but that fact does not interfere with our appreciation of the situation. The railways are not losing money because of inefficient operation, but because we have limited their earning capacity by statutory rates.

Hon. Mr. Aseltine: It was not we who did it.

Hon. Mr. Roebuck: When I said "we" I meant Parliament.

Hon. Mr. Crerar: Honourable senators, I cannot allow the observations of my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) to pass unchallenged. The only statutory rates that I know of in the whole railway freight rate structure are the so-called Crowsnest Pass rates.

Hon. Mr. Aseltine: We are not going into those today.

Hon. Mr. Crerar: No, but as a good westerner my honourable friend should sympathize with me. I am going to question the point raised by the honourable senator from Toronto-Trinity. If you look at railway costs you will see that they have increased enormously. Why have they increased? I am not criticizing anybody, but the fact is that wages and the cost of ties, steel rails, boxcars—

Hon. Mr. Beaubien: And fringe benefits.

Hon. Mr. Crerar: Yes—you will see that the cost of everything they have to pay for has more than doubled in the past twenty years. However, I can assure this house—and it has been demonstrated time and time again—that on the basis of the cost of building the railways in western Canada the present grain rates, even under the Crowsnest Pass Agreement, are among the most profitable rates that the railways have.

Hon. Mr. Reid: A few minutes ago reference was made to some profit being made by the Queen Elizabeth Hotel in Montreal. I was wondering if that profit is over and above the interest payable on the $28 million that was spent in building the hotel. Interest on $28 million at 5 per cent would cost $1,400,000 a year. Has that been taken into account?

Hon. Mr. Aseltine: I think that is information we should get from the president when he comes before our committee a little later in the session to make his explanation of the whole year's operations.

I would like to deal now with Vote 650. I appreciate the interest that honourable senators have taken in this matter. The purpose of this vote is to reimburse the Agricultural Commodities Stabilization Account for dry skimmed milk donated to international relief agencies, organizations and governments. In the first supplementary estimates we voted $2,500,000, and this supplementary estimate is for $1,064,220, making the total required for the fiscal year 1959-60 $3,564,220.

I can give honourable senators a little information on the subject. On August 6, 1959 the cabinet agreed to increase the amount of dry skimmed milk for donation to international relief organizations and agencies from 50 million to 60 million pounds. Further authorizations were subsequently received permitting total donations of 64,512,182 pounds. The Department of External Affairs has been directed to reimburse the Agricultural Commodities Stabilization Board for the total amount authorized and which has been distributed by the Board. UNICEF obtained 46,576,932 pounds; Unitarian Service Committee of Canada, 635,300 pounds; Canadian Lutheran World Relief, 2,361,750 pounds; CARE of Canada, 14,103,250 pounds, and so on. That is all the information I have with regard to that item.

I would like to go now to Vote 652.

Hon. Mr. Macdonald: Is the honourable leader selecting these votes because they are the larger amounts?

Hon. Mr. Aseltine: Yes, they are the larger amounts, and together they make up almost the total of $117 million. The others are considerably smaller items, but any senator may discuss them and ask questions about them when I have finished with these items which I have selected.

The purpose of Vote 652 is to reimburse the Agricultural Commodities Stabilization Account for canned pork donated to international relief agencies. This is a new item. There was no previous supplementary with respect to it. It amounts to $1,096,442. A total of 5,482,206 pounds of pork was distributed to the Canadian Lutheran World Relief, CARE of Canada, the Canadian Council of Churches, the Canadian Red Cross, the Mennonite Central Committee, and the Unitarian Service Committee.

Hon. Mr. Roebuck: What did these organizations do with this pork?

Hon. Mr. Aseltine: This was for relief.

Hon. Mr. Roebuck: Not within Canada?

Hon. Mr. Vaillancourt: Yes, some.

Hon. Mr. Brunt: The Canadian Red Cross distribution would definitely be within Canada.

Hon. Mr. Aseltine: Also the distribution by the Canadian Council of Churches and the Canadian Red Cross.

Hon. Mr. Vaillancourt: And the St. Vincent de Paul Society.

Hon. Mr. Aseltine: What I am getting at is that we gave away this large poundage and we have to make up the amount of a little over $1 million to pay for it.

I would like to go on to Vote 675, which has to do with the Post Office. This is quite a large item, totalling $2,344,000. It covers mail service by railways due to increased volume of mail carried over railways, $690,000; mail service by ordinary land conveyance including rural mail delivery, $855,000; mail service by air, $439,000 and mail service by water, $360,000.

Hon. Mr. Macdonald: Does the honourable Leader of the Government know why this additional expenditure could not have been foreseen? Is there any special reason why the expense in the Post Office Department should be so much greater than anticipated?

Hon. Mr. Aseltine: Well, our population is increasing all the time.

Hon. Mr. Macdonald: It did not go up as greatly percentage wise last year as in previous years.

Hon. Mr. Aseltine: People are writing more letters and sending more mail. The Christmas mail was terrific last year, almost double what it ever was before.

Hon. Mr. Roebuck: That should have resulted in more profit.

Hon. Mr. Brunt: No, the department operates at a loss.

Hon. Mr. Macdonald: Is the carrying of Christmas mail done at a loss to the Government?

Hon. Mr. Aseltine: I do not know that. You asked me why there was so much mail carried.

Hon. Mr. Macdonald: I did not ask why there was so much mail carried. I asked why this loss in the Post Office was so much greater than anticipated.

Hon. Mr. Aseltine: I will give you one example. The extra vote for mail service by air, $439,000, is occasioned by the prolonged air service in Newfoundland due to delay in opening of navigation by ice conditions,

and also the increased volume of mail going to that province which I imagine could not be foreseen.

Hon. Mr. Dupuis: Does the amount of $2,344,000 represent the full deficit of the Post Office Department or only a part of it?

Hon. Mr. Aseltine: That is the amount required to balance the books for the year.

Hon. Mr. Dupuis: Why does the Government not balance the books by taking from the income of the Post Office Department?

Hon. Mr. Aseltine: This represents what is left to be paid after the income has been used up.

I would like to go on to Vote 691 which has to do with the Prince Edward Island car ferry and terminals.

Hon. Mr. Barbour: Would the honourable leader know the amount provided in the main estimates for the Prince Edward Island car ferry?

Hon. Mr. Aseltine: The amount in the main estimates is $1,741,000 which, together with this supplementary of $825,090, makes a total for the fiscal year ending March 31, 1960, of $2,566,090.

Hon. Mr. Barbour: I think this item would have been better charged to the Canadian National Railways, because they are carrying the passenger and freight cars, and so on back and forth. If they paid anything like they should this amount would not be charged to the car ferry.

Hon. Mr. Brunt: Does it matter to whom it is charged?

Hon. Mr. Aseltine: Vote 706 has to do with steamship subventions for coastal services through the Maritimes.

The final item I would like to deal with is Vote 664, which has to do with the retirement of Lieutenant-Colonel W. J. Franklin as Sergeant-at-Arms of the House of Commons. I want to say a few words about him at this time. Lieutenant-Colonel Franklin served his country with distinction in the two World Wars and proved himself an able administrator in the difficult position which he filled here for so many years. He is a fine gentleman, possessed of what it takes to get along with people, and as a result his retirement prompts all of us to express our appreciation of and personal regard for him.

Hon. Mr. Roebuck: Why did you throw him out, then?

Hon. Mr. Brunt: We didn't. He resigned.

Hon. Mr. Aseltine: He retired.

Hon. Mr. Roebuck: Oh!

Hon. Mr. Aseltine: His service to Parliament will be gratefully remembered for a long time, and I feel sure all members of this house will join with me in wishing him many years of good health and happiness to enjoy his well-earned leisure.

The simple explanation of this item is that Lieutenant-Colonel Franklin did not complete within the required thirty-day period the necessary papers in order to enjoy the benefit of the supplementary death benefit plan under the Superannuation Act. The item is not related to his superannuation or pension. Upon retiring from public service it is apparently necessary to make an election within a period of thirty days if the person concerned wishes to continue under the death benefit plan. The thirty-day period was inadvertently permitted to elapse, and it is now desired to legislate to correct the error so that Lieutenant-Colonel Franklin may continue under this plan. I am sure honourable senators will be only too glad to see that this is done.

Hon. Mr. Macdonald: A magnanimous gesture at a very late date.

Hon. Mr. Aseltine: He was a great help to us in this house on occasions and I enjoyed his personal friendship very much. I am making this statement because I liked the man and I am sure my honourable friend the Leader of the Opposition (Hon. Mr. Macdonald) did too. Lieutenant-Colonel Franklin performed a valuable service to Parliament.

Hon. Mr. Macdonald: I shall have something to say on that myself, but I want to repeat that I think it is a very late date to make this magnanimous gesture.

Hon. Mr. Aseltine: It is the first opportunity I have had.

Hon. Mr. Macdonald: It was not the first opportunity the Government had.

Hon. Mr. Crerar: Now that the bouquets are all through, could the Leader of the Government (Hon. Mr. Aseltine) tell us how much money is involved in this $1 item?

Hon. Mr. Aseltine: I did not finish. There is no money involved in so far as the Government is concerned.

Hon. Mr. Crerar: Then why is the item here?

Hon. Mr. Aseltine: The purpose is simply to give Colonel Franklin the right to qualify under the death benefit plan.

Hon. Mr. Wall: Before we adjourn, may I ask a question concerning Vote 648, which deals with $600,000 for the World Refugee

Year? How much of that has been spent on the 340-odd refugees who came to this country?

Hon. Mr. Aseltine: I have a very long explanation of that item here. Do I understand that the honourable senator asked if I had the figure that was spent during World Refugee Year?

Hon. Mr. Wall: No. I should like to know how much of that money has already been expended for the refugees who have been brought in under special circumstances, how much is still left, and how many more refugees we might have. However, in view of the lateness of the hour, perhaps that information could be furnished at the next sitting.

Hon. Mr. Aseltine: This is a new item. There is nothing in the main estimates to cover it. I can give a brief explanation.

The amount is $600,000. On September 11, 1959 the cabinet considered a proposal for a special Canadian contribution to World Refugee Year. It was agreed that Canada's special contribution to World Refugee Year would be the admission of about 100 tuberculous refugees, together with their families, and that the tuberculous patients would be treated at public expense. It was also agreed that the details of the plan should be worked out by the Secretary of State for External Affairs in consultation with the Ministers of Citizenship and Immigration, National Health and Welfare, and Finance and with provincial Governments, on the understanding that the provincial Governments and the Canadian Committee for World Refugee Year would be encouraged to contribute as much as possible, and that the total cost to the federal Government during the first year should not exceed $600,000.

That is all the information I can give the honourable gentleman at the moment.

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

APPROPRIATION BILL NO. 2

THIRD READING

Hon. Mr. Aseltine moved the third reading of Bill C-54, for granting to Her Majesty certain sums of money for the Public Service of the financial year ending the 31st March, 1961.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 305 to 330, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, may I at this time place on *Hansard* figures with regard to the progress made by the Divorce Committee as at this date:

Petitions presented		591
Petitions heard and recommended	327	
Petitions heard and rejected	2	
Petitions withdrawn	11	
Petitions partly heard	11	
Petitions to be disposed of	240	
	591	591

So far 258 bills of divorce have been forwarded to the House of Commons for its consideration, and 23 bills have been passed by that house and returned to the Senate, leaving at present a balance of 235 bills to be disposed of by the Commons.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, March 31, 1960

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

Prayers.

SPEECH FROM THE THRONE

ADDRESS IN REPLY—MESSAGE OF THANKS FROM GOVERNOR GENERAL

The Hon. the Speaker informed the Senate that the following message had been received from His Excellency the Governor General:

GOVERNMENT HOUSE
Ottawa

March 31, 1960

The Honourable the Members of the Senate:
I have received with great pleasure the address that you have voted in reply to my speech at the opening of Parliament. I thank you sincerely for this address.

Georges P. Vanier

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa

March 31, 1960

Sir:

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber on Thursday, the 31st March, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

E. Joly Lotbinière,
Assistant Secretary to the Governor General

The Honourable
The Speaker of the Senate,
Ottawa

BUDGET SPEECH

ACCOMMODATION FOR SENATORS IN COMMONS GALLERY

On the Orders of the Day:

The Hon. the Speaker: Honourable senators, on March 17, 1931, the then Speaker of the Senate, the Honourable P. E. Blondin, issued and distributed to honourable senators the following instructions regarding the use of the Senate Gallery in the House of Commons on Budget night:

Upon the occasion of the delivery of his Budget Speech by the Minister of Finance, none but senators will be admitted to the Senate Gallery of the House of Commons. This step is taken for the purpose of providing accommodation in the gallery for as many senators as possible.

In past years many senators have been excluded from the gallery upon similar occasions on account of many of the places being occupied by relatives and friends of senators.

This practice has been followed ever since by succeeding Speakers. Reference to the ruling, which I too have adopted, will serve as a reminder that tonight is Budget night.

Hon. Mr. Macdonald: Mr. Speaker, may I be permitted a question?

The Hon. the Speaker: Yes.

Hon. Mr. Macdonald: Are wives considered to be relatives and friends?

The Hon. the Speaker: Yes, unless divorced.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following documents:

Report of the National Harbours Board, for the calendar year 1959, pursuant to section 32 of the National Harbours Board Act, Chapter 187, R.S. 1952. (English text).

Capital Budget of the Canadian Overseas Telecommunication Corporation, for the year ending March 31, 1961, together with Order in Council P.C. 1960-387, dated March 24, 1960, approving same, pursuant to section 80 of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Capital Budget of the Cornwall International Bridge Company Limited, for the year ending September 30, 1960, together with Order in Council P.C. 1960-388, dated March 24, 1960, approving same, pursuant to section 80 of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Report of the Department of Defence Production, for the calendar year 1959, pursuant to section 34 of the Defence Production Act, Chapter 62, R.S. 1952. (English and French texts).

FEEDS BILL

FIRST READING

Hon. Mr. Aseltine presented Bill S-27, to control and regulate the sale of feeds.

He said: This bill is to control and regulate the sale of feeds. The explanatory note reads as follows:

The purpose of this bill is to revise the Feeding Stuffs Act to meet recent trends and developments in the production and merchandising of feeds. The bill contemplates no substantive changes in policy and is in a form similar to other agricultural statutes enacted in recent years.

Bill read first time.

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

Hon. Mr. Aseltine: With leave, I move that the bill be placed on the Orders of the Day for second reading on Monday next.

Motion agreed to.

AUSTRALIAN TRADE AGREEMENT BILL

FIRST READING

Hon. Mr. Aseltine presented Bill S-28 respecting a certain trade agreement between Canada and Australia.

He said: Honourable senators, the purpose of this bill is to implement the trade agreement between the Government of Canada and the Government of the Commonwealth of Australia, signed at Canberra on February 12, 1960.

Bill read first time.

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

Hon. Mr. Aseltine: With leave, I move that the bill be placed on the Orders of the Day for second reading on Monday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 331 to 340, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

INDIAN BILL

REPORT OF COMMITTEE

Hon. Thomas Reid, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-2, to amend the Indian Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

THIRD READING

Hon. James Gladstone: With leave of the Senate, I move the third reading now.

Hon. William M. Wall: Honourable senators, prior to the third reading I should like to make a few observations with respect to the bill. As you are aware, the substantive clause repeals subsection 2 of section 86 of the Indian Act. This subsection concerns exemption from taxation of property situated on a reserve, which tax exemption until now was not applicable if the Indian had chosen to exercise his right to federal franchise by executing a waiver. Such waivers will no longer be necessary because the Indians will now receive the statutory right to federal franchise through Bill C-3, nor will the 122 waivers which were signed be valid.

There was some difficulty and concern about the waivers, and to resolve the doubts regarding these existing waivers the very happy and fruitful suggestion of the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) was graciously accepted by the minister, namely, that letters will be sent to each of these 122 Indian citizens with copies of the new act or acts and an explanation that the waivers previously signed are no longer valid.

The honourable members of the committee spent some time in considering an amendment which I moved to Bill C-2, and I would like to refer to it briefly at this time. The purpose of my amendment was to strike out section 112 of the Indian Act which deals with enfranchisement of the Indians. Enfranchisement in the act has to do with the voluntary or involuntary leaving of the reserve by an Indian and thereby losing some of his treaty rights. The references to voluntary leaving are contained in sections 108, 109, 110 and 111.

Now, section 112 provides what I called this morning a unilateral ministerial initiation of proceedings for the enfranchisement of individual Indians or bands by appointing a committee of inquiry of three, and so on. I had raised that problem in this house immediately after the honourable sponsor of the bill (Hon. Mr. Gladstone) expressed his very grave concern about the fact that there was among his people a great fear concerning section 112 and he made a very eloquent and sincere plea about this particular section 112 and its effect, in view of the fact that the Indians were now being given the franchise.

I also read what was said in the other house about section 112, and I had also noted that commitments had been made by both the former Minister of Citizenship and Immigration and the present Minister that this section would not be used. In my simple way I thought that since there was a commitment that the section would not be used, the section was in effect redundant, and that since it was redundant it might as well be repealed along with subsection 2 of section 86.

I also contended, and from this contention I do not depart, that under sections 108, 109, 110 and 111 there is adequate flexibility both in ministerial right and in ministerial procedure, departmental or otherwise, for dealing with cases of voluntary enfranchisement, and therefore I moved the motion to repeal section 112.

However, in view of the discussion which took place upon this motion to strike out section 112, and especially in view of the statements of the honourable the Minister which indicated: that it was not her intention to make use of this section; that this section would have to be struck out and that it was her intention to have this section go; and that in this context there may be other amendments needed in the enfranchisement section to make certain that everything fitted well and that suitable machinery did exist for wise and democratic carrying out of these enfranchisement procedures on a voluntary basis; and, further, knowing that this problem would be receiving careful scrutiny of the Joint Parliamentary Committee on Indian Affairs now sitting, I withdrew my amendment—not without some regrets—and I wish to make this point at this time so it will be on the record.

Hon. T. A. Crerar: Honourable senators, when this bill was before the committee I raised a point that I should like to present to the house and have on record.

Apart from the granting of the franchise to the Indians, the manner in which we are doing it is, in my judgment, setting up a discrimination which may lead to unfortunate consequences in the future. The position at present is this. Indians living on reserves are not subject to property tax or income tax, except on any income they earn off the reserves. They are not taxed on earnings made on the reserves. Also, on many reserves Indians are entitled to benefits conferred by treaties made between the Government in the right of Canada and the Indian bands. For instance, they are entitled to treaty money and certain other benefits that exist on most reserves, if my recollection is correct.

Now, under this legislation Indians everywhere in Canada, from the international boundary line to the Arctic wastes, would be given the franchise on the same terms as other citizens of the country enjoy it. The Indians would be enfranchised irrespective of the provisions of treaties which they have entered into in the past, and they would be exempt from taxation on any earnings made on their reserves. We all hope the Indians will improve their economic position and rise in the social scale. However, their enjoyment of all the rights of citizenship while exempted from taxation on any income made on the reserves would constitute a discrimination which sooner or later might cause trouble. It is a discrimination which I submit should not be written into our laws.

I am not going to carry my protest further, but I do wish to place before the house this discrimination which, in my judgment, is an important matter. In that respect, I think the bill is certainly at fault.

Hon. W. Ross Macdonald: Honourable senators, I should like to associate myself with the honourable junior senator from Winnipeg (Hon. Mr. Wall), in his attitude toward this bill. The first amendment that was proposed, namely, to make it abundantly clear that the waivers which some Indians had previously signed would henceforth be null and void and of no effect, was withdrawn. I stated once before in this house why I thought the bill should contain a provision to make it abundantly clear that the waivers were void. Such a provision would not weaken the bill in any way but, I felt, would strengthen the bond between Parliament and the Indians. I regard it as a mistake not to incorporate that provision in the bill.

The honourable junior senator from Winnipeg moved an amendment for the repeal of section 112 of the act. I supported him in that. However, my support weakened when the very capable minister gave us an assurance that when the bill is presented for consideration to the Joint Committee on Indian Affairs she would recommend to the committee that that section should be repealed, and that at the same time some appropriate amendment to other sections would be proposed. Accordingly, the amendment was not put to a vote, although a number of honourable senators had misgivings as to whether section 112 should be allowed to remain in the act.

The honourable senator from Churchill (Hon. Mr. Crerar) has this afternoon raised the point which he raised in committee this morning. I did not agree with him at that time, and, with great respect, I am still unable to agree with him.

I shall not repeat all I said in committee this morning, but I would remind honourable senators that the Indians of Canada do pay some taxes. True, they do not pay income tax, but we must not get the impression that they are entirely free from the payment of taxes. For instance, if they own an automobile and buy gasoline, they pay the gasoline tax. They pay customs duties and sales tax, and other indirect taxes, such as

excise duties and hidden levies of various kinds. The Indians pay those taxes just as we do.

Hon. Mr. Dupuis: Do they pay succession duties?

Hon. Mr. Macdonald: The Indians pay succession duties. And, I may say, they do pay income tax on earnings which they make off the reserve. I mention these things to emphasize the fact that Indians are not exempt from taxation. It is, however, true, as our distinguished colleague has said, they do not pay income tax on earnings on the reserve.

I submit to honourable senators that the enfranchisement of the Indians and the question of their liability to income tax are two distinct fields of legislation. The Indians are not exempted from paying income tax because they are now to get the vote. It is true that previously they had to waive their right to exemption in order to get the vote. That requirement is now being abolished, and they will be entitled to vote, as all other citizens of Canada are. In my opinion, every citizen in Canada should get the vote upon attaining the age of 21 years. When a citizen becomes 21 years of age we do not inquire if he or she pays income tax or any other tax. That is a matter of secondary consideration. My honourable friend is entitled to his opinion as to whether Indians should or should not pay income tax, but that is another question. He could take up the question of whether the Indians should have other rights and responsibilities which we have, quite apart from income tax. But, honourable senators, my point is that there is no connection whatsoever between payment of taxes by the Indian and their enfranchisement. I stand by my previous statement that if any honourable senator is dissatisfied—and I personally am not—because Indians do not pay income tax, that matter can be brought up at any time without relation to their right to the franchise. I think we should forget all about whether or not the Indians pay income tax, and pass this bill giving them the right to vote.

Hon. Vincent Dupuis: Honourable senators, I should like to add a few words to this important question before the house today.

When I entered public life, in 1929, I was elected in a riding where there was a large and important Indian reservation known as Caughnawaga, and the Indians there, as a matter of courtesy, organized a big celebration and appointed me their honorary chief. Since then I have considered myself a member of their band.

Hon. Mr. Roebuck: You are a real Indian.

Hon. Mr. Beaubien: Do you get treaty money?

Hon. Mr. Dupuis: I have had lots of advantages that my honourable friend from Provencher (Hon. Mr. Beaubien) never had in his life. I have the pleasure of being invited to Caughnawaga whenever there is a party. The Indians there know how to live. I dance with them and I smoke the pipe with them. They gave me a nice plumed hat, and what is more they gave me the right to have a tomahawk in my own house for protection against anyone who might try to assault me. I still have it.

Hon. Mr. Connolly (Ottawa West): You should bring it here.

Hon. Mr. Brunt: Yes, we could use it.

Hon. Mr. Dupuis: I have not used it up to now.

It is said that although vengeance is sweet to the Indian, recognition is sweeter. I myself believe, as do many other honourable senators who have expressed themselves since the bill has been before the house, and especially my distinguished leader (Hon. Mr. Macdonald), that the Indians have the right, the inalienable right, to vote. As my leader stated, whether or not they pay taxes does not enter into the question. When a citizen of this country becomes of age, namely, twenty-one years, he has the right to vote—and not only the right, but the duty, for by voting he participates in the selection of those who will represent him and his fellow citizens on the floor of the other house.

There is another reason why I am in favour of seeing that the first citizens of this country enjoy all the privileges of citizenship. After all, when our ancestors came here in the seventeenth century—Jacques Cartier, Roberval, Champlain and others—they found here people who were established and who owned this country from the Atlantic to the Pacific. They had been established here for centuries before the white man ever thought of coming here with his great idea of conquering the new world and civilizing its occupants. In many ways, honourable senators, I think we have learned more from them than they have learned from us. I do not want to be mistaken if I summarize my own views in the words of the great teacher who said: "Do unto others what you would have them do unto you."

I am a citizen of this country, and I belong to a race which came here to develop this country. After the Indians they were the second citizens. They did their duty to this country and played their part in developing it. It happened that owing to the unknown

ways of Providence Canada fell into the hands of another country—England. When England became the possessor of this country it granted the French citizens inalienable rights, which we still enjoy today. It gave them the right to practise their religion. Although in the British Isles there was some restriction on the Catholic religion in those days, the French citizens of this country were allowed freedom of religion. We have our French language, which is dear to us, as its own language is dear to any nation. We were granted the right to speak the French language, and that privilege was incorporated in legislation passed during different periods in the history of this country. It was set down in the law—in the Act of 1791, the Union Act of 1841 and the British North America Act of 1867. I am proud to render tribute to the British people, I am proud of being a Canadian of French origin, and I am glad to enjoy these privileges which are dear to me.

I know that sometimes we have to fight to maintain our rights. Nevertheless, they were guaranteed to us by other people, and all Canadians of French origin are glad to have obtained them. I do not believe we are entitled to refuse those same rights to the first occupants of this country.

Hon Arthur W. Roebuck: Honourable senators, I hesitate to join in this debate, because I was not present at the committee meeting, but I was greatly impressed by the eloquent words of my honourable friend from Rigaud (Hon. Mr. Dupuis) and the spirit with which he has expressed them.

He told us that in the past his ancestors were granted certain rights. They may not have been quite contractual rights, but they were understood rights which have been enjoyed, and enjoyed perhaps more exclusively than they have been by some other people. By that I mean that the French are different from the Ukrainians, for instance, who have had no such rights granted to them, but who, nevertheless, enjoy them. Now, I do not suppose anyone, certainly not my honourable friend from Churchill (Hon. Mr. Crerar), would suggest that the French people be denied the right to vote because certain rights were granted to them by a pseudo-contract or a partial contract.

I own a house in the city of Toronto, and it comes to me as a grant from the Crown. I am a tenant in fee simple from the Crown in the ownership of that house. I have that house exclusively as against all comers, yet nobody has suggested that I be denied my right to vote because I have a special privilege granted to me by the Crown in the ownership of the natural resources of this country. Were I to sell that house to the Crown, as I might well do under certain circumstances, and were I to take something in return—such as an annual payment or, to make it a little relevant still, an exemption from taxation—I do not suppose anyone would suggest I be denied my right to vote. It seems to me that this situation with the Indians is also one of contract. My honourable friend from Rigaud says that the whole country belonged to the Indians at one time. I do not know that I would go that far. The Indians were here ahead of us, it is true, but they did not settle the land as international law would now require owners of land to do. However, they did have certain rights, and in days gone by we recognized those rights and entered into contracts, not vague ones such as we entered into with the French people, but written contracts which gave the Indians certain rights, perhaps superior to but certainly different from the rights of other people in this country.

Because we gave them special privileges in return and in consideration for something they gave us, does that deprive them of the right to vote any more than it deprives me of the right to vote because I hold a piece of land by grant from the Crown? I think it is a matter of contract and absolute logic and law. The one thing has nothing whatever to do with the other. I did not hear the evidence given before the committee, but in my judgment the fact that we have contracted to give these people certain privileges has nothing to do with their right to be citizens of this country.

Hon. James Gladstone: Honourable senators, before this bill is read the third time I would like to say a few words as to why I think it is going to be of benefit to my people.

Since 1951, when the act was amended, putting into effect this qualification or threat in connection with the waiving of our right of exemption from taxation, only 122 Indians from all over Canada expressed their desire to have the right to vote. Speaking for my people in Alberta, I would say that ten, twelve or fifteen years ago none of them wanted to vote under any circumstances, but a lot of the things we have approached the Government for since 1948 have come to pass, which we all appreciate, and the Indians are now beginning to feel that the Government is keeping its word.

Another point is that with the medical assistance Indians have received since 1948 the population of our reserves has increased and, in order to breathe, so to speak, we have had to go out in the world and meet

with other people and make a living outside the reserve. Another factor is that our young men and women have been attending school and gaining a little more knowledge than Indians have had before, and some of them are working at white-collar office jobs and such like. In order to make the life of the outside world attractive to them I feel it would be wrong for me not to help give them the same right that the people they are living among have—the right to vote. When they are living away from the reserve they pay all the taxes other citizens pay. There is no getting away from the fact that we have to go out in the world and live alongside other people. Because of being given this right, without any threat attached, many more Indians will vote and, as the years go by, I think all the fears they have in their hearts now will gradually go away.

Motion agreed to and bill read third time and passed.

CANADA ELECTIONS BILL

REPORT OF COMMITTEE

Hon. Thomas Reid, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-3, to amend the Canada Elections Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Gladstone: With leave of the Senate, I move the third reading now.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the followed bills:

Bill SD-291, for the relief of Myrtle Gertrude Lily Molloy Heany.

Bill SD-292, for the relief of Kathleen Margaret Sinclair McKenna Roberts.

Bill SD-293, for the relief of Marion Toba Wolfe Cohen Shapiro.

Bill SD-294, for the relief of Marie Lucille Simone David Raymond.

Bill SD-295, for the relief of Otto James Kerr.

Bill SD-296, for the relief of James Justin Sims.

Bill SD-297, for the relief of Sylvia Overland Katz.

Bill SD-298, for the relief of Blanche Brigitte Paulette Gagne Joly.

Bill SD-299, for the relief of Carmel Duguay Mitchell.

Bill SD-300, for the relief of Catherine Maureen Kelly Mavor.

Bill SD-301, for the relief of Maria Ruland Reutter.

Bill SD-302, for the relief of Joseph Louis Victor Dupere.

Bill SD-303, for the relief of Rose Polivka De Bom.

Bill SD-304, for the relief of Vernis Clifton Christie.

Bill SD-305, for the relief of Thomas Edward Imbleau.

Bill SD-306, for the relief of Jean Guy Cardinal.

Bill SD-307, for the relief of Marie Mathilde Charlotte Boisjoli Dore.

Bill SD-308, for the relief of David Lloyd Tune.

Bill SD-309, for the relief of Sybil Fenster Shaicavitch.

Bill SD-310, for the relief of Lynda Marjorie Cowell Smith.

Bill SD-311, for the relief of Alois Zisser.

Bill SD-312, for the relief of Stanley Sepchuk.

Bill SD-313, for the relief of Nadine Tudor Labreche.

Bill SD-314, for the relief of Robert Gordon Stitt.

Bill SD-315, for the relief of Philippa Jane Hutchins Tanton.

Bill SD-316, for the relief of Julianna Barna Nadasdi.

Bills read first time.

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

Hon. Mr. Roebuck: I move that these bills be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

EMERGENCY SITTINGS

AUTHORITY TO CONVENE SENATE DURING ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, I move, seconded by the honourable senator from Lumsden (Hon. Mr. Pearson):

That, for the duration of the present session of Parliament, should an emergency arise during any adjournment of the Senate, which would in the

opinion of the Honourable the Speaker warrant that the Senate meet prior to the time set forth in the motion for such adjournment, the Honourable the Speaker be authorized to notify honourabl senators at their addresses registered with the Clerk of the Senate, to meet at a time earlier than that set out in the motion for such adjournment, and non-receipt by any one or more honourable senators of such call shall not have any effect upon the sufficiency and validity thereof.

This is the usual motion which is made at about this time every session. Perhaps before the motion is voted on I should give honourable senators what information I have with regard to the Easter adjournment. As you all know, the House of Commons will adjourn on April 13 and reconvene on the 25th. I think I can safely say that the Senate will reconvene a week later than that, but I am not certain when our adjournment will commence.

I notice that there are several bills that may soon come to us—for instance, the Trans-Canada Highway Bill, the Yukon Bill and the Northwest Territories Bill. Even if we receive none of those next week we shall probably receive the Federal-Provincial Tax-Sharing Arrangements Bill. It seems that we would have plenty of time next week to deal with all those measures and I am hoping that our adjournment will commence at the end of the week.

Hon. W. Ross Macdonald: Honourable senators, all I have to say is that the Leader of the Government (Hon. Mr. Aseltine) is very optimistic about the progress which may be made in the other house during the remainder of this afternoon and tomorrow. As I understand, the budget is to be presented tonight, so no legislation will be dealt with before tomorrow. Next week and the three days of the following week prior to adjournment will probably be taken up with the debate on the budget. How we can expect to receive all the bills mentioned by the Leader of the Government, I do not know.

Hon. Mr. Wall: Honourable senators, may I ask a question with regard to this motion? In the past when such emergencies as envisaged in the motion have arisen how much notice has been given to senators from, say, British Columbia, Alberta or Newfoundland?

Hon. Mr. Aseltine: All I know is that honourable senators are notified by telegram in time for them to get to Ottawa.

Hon. Mr. Macdonald: May I ask the Leader of the Government if he is in a position to inform the house whether we shall shall sit tomorrow? He has intimated that he will propose that the house should sit next Monday. Can he tell us at this time if we shall adjourn this afternoon until Monday afternoon or night or Tuesday afternoon?

Hon. Mr. Aseltine: I am not yet in a position to give that information. I am waiting to see what happens in the other place.

Hon. Mr. Macdonald: Thank you.

Motion agreed to.

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-283, for the relief of Joan Dunn Ostrosky.

Bill SD-284, for the relief of Teresa Greco Caputo.

Bill SD-285, for the relief of William Pinkerton.

Bill SD-286, for the relief of Frank David Cousens.

Bill SD-287, for the relief of Denise Baril Sarrazin.

Bill SD-288, for the relief of Wassily de Krokhaleff.

Bill SD-289, for the relief of Henriette Rioux Beaupre.

Bill SD-290, for the relief of Lillian Olive Robertson Reinhold.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck: I move that these bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

APPROPRIATION BILL NO. 3

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine for the second reading of Bill C-55, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

Hon. T. D'Arcy Leonard: Honourable senators, I was unavoidably absent from the chamber yesterday afternoon when the Leader of the Government (Hon. Mr. Aseltine) moved second reading of this bill. However, I have read his remarks in *Hansard,* and I note that he explained it with his usual care and clarity.

My first remarks, therefore, are by way of general observation in connection with the supplementary estimates, as they are

called, but which in fact are now expenditures because they close the federal ledgers for the fiscal year ending today.

If a commercial corporation was closing its year on a similar set of figures there would be a good deal of red ink splashed around. We wind up our national business with a deficit on ordinary accounts of $405,800,000, or $12,800,000 more than the Minister of Finance estimated last April. If we include the deficit in the Old Age Security fund, we must add another $24,100,000, making a total of $429,900,000. This is the second largest peacetime deficit, exceeded only by the deficit of the preceding year, which amounted to $617 million. The combined deficit for the two years is $1,046,900,000.

When a trading corporation's expenses exceed its revenues it is viewed with great alarm as being on the road to bankruptcy. It is different in the case of a sovereign country—and unfortunately we have perhaps become too inured to the prospect of governments at all levels operating on deficits. A sovereign country simply adds its deficit to its national debt, which is what we have done, and all the taxpayers will pay more interest and principal to those taxpayers who hold the additional bonds that are issued.

Nevertheless, these deficits do have economic consequences in the country. Much of the deficit is represented by moneys paid out for things that are immediately consumed, as distinct from moneys that go into capital expenditures, and to the extent that we borrow from the savings of the people for such current expenses of the Government we are like the individual who lives beyond his means and borrows in order to meet his normal day-to-day expenses.

There are of course times when deficit financing is proper in planned, cyclical budgeting for the purpose of counteracting depressions. But that is not the kind of borrowing we are doing in connection with our present deficits. To the extent that we borrow for these deficits, we are reducing the savings pool available for capital expenditures of other governments, of business and the public generally. We must finance these capital expenditures by our own savings, supplemented by whatever foreign investments may come into Canada. So the federal deficit borrowing to which I have referred tends to tighten money and increase the interest rate.

Tonight we are to hear the plans of the Minister of Finance for the coming year. I am encouraged to think and to hope that he may go a long way toward bringing the 1960-61 accounts into balance.

The largest item in the estimates before us is Vote 640, for $57,661,176, to pay the net operating loss of the Agricultural Commodities Stabilization Board. The size of this item, coming as it does after substantial payments in previous years, causes me to question whether this is the right method to use in assisting agriculture.

Prices are always governed by the inexorable law of supply and demand. Some people seem to think that law has been repealed or amended, or that you can get around it. So from time to time we have various plans and schemes to deal with with situations where the normal operation of the law of supply and demand appears to be causing hardship. So far as those plans are designed to take care of a temporary situation or an emergency, or where they are consistent with the operation of the law of supply and demand, they are remedial and helpful. For example, where there is a twelve-month demand for a product which is produced only seasonally, plans designed to spread the supply over the twelve-month period would be beneficial. But too often what is likely to happen from price supports and deficiency payments in the long run is that they tend to worsen the basic situation. Sometimes such plans actually operate to increase the supply of the product, thereby making the real price problem even more difficult. Or, they may decrease the effective demand because the buyers know that there is a surplus, and therefore a price that is meant in point of fact to be a floor becomes a ceiling overhanging the market.

For example, notwithstanding the fact that we are paying the sum of $57,661,000 for the losses on this year's operations of the Stabilization Board, look at what has happened to the price of one of the commodities with which that board deals. The Consumer Price Index shows a drop in the price of eggs from 55 cents in January 1959 to 41.9 cents in January 1960, and yet our Stabilization Board has been in operation.

My personal view is that an equivalent amount of money spent on improving the basic economic position of agricultural industry would achieve much greater results—money spent on doing the kind of things that our Special Committee on Land Use has been studying, such as eliminating submarginal farming, improving efficiency, fertilization, irrigation, and rural development schemes. I believe that these ideas are supported by leaders in agriculture, and I quote with approval a remark of Mr. H. H. Hannam, President of the Canadian Federation of Agriculture:

Contrary to what may be the popular impression, Canadian farmers would much prefer to receive a

fair exchange value in the market place for the farm products they produce and sell, rather than find it necessary to adopt programs involving Government assistance or subsidization.

That is a philosophy I would like to see put into practice.

The second largest item is the perennial deficit of the Canadian National Railways, which this year has amounted to $43,588,290, but we can take some comfort from the fact that it is $8 million less than in the previous year. All I propose to say about that item is this, that I think we have the best man in the country for the job of running this railway. We are fortunate to have his talents and his energy in this capacity. If any one man could solve the problem of the C.N.R. deficits, I think it would be he. I am all for giving him as free a hand as possible and supporting him in the tremendous job that he is doing, and supporting him in every way possible.

I turn from all these large and substantial items to something which is much smaller, namely, Vote 663, dealing with the House of Commons and involving an expenditure of $85,000. The fact that there is an item in these estimates concerning the House of Commons causes me to voice some thoughts that have been in my mind lately concerning the members of that house. You may have noticed a week or so ago that the Minister of Finance filed a return in the House of Commons giving a list of ex-members of Parliament who are entitled to pensions for their Parliamentary service, together with the amounts that they receive. The maximum amount that any such member can receive as a pension is $3,000 per year. This amount is reduced when he becomes 70 years of age, or if he is 70 years of age, by the amount of the old age pension, so that an ex-member who is 70 years of age or over receives a maximum pension of $2,340 a year. In the case of one ex-member whose name appears on the list, and who now receives $522 by way of pension, his pension will cease when he becomes 70 years of age. At that time he will receive no pension whatsoever from the House of Commons. When it is considered that these pensions are contributory—that is to say, the member himself makes a contribution towards the cost of the pension, and that the recipient must have been a member of at least three parliaments—this pension seems to be inadequate and ungenerous.

It is not easy for members of the House of Commons to put forward a case for themselves in matters of this kind. Perhaps I should say that I have not spoken to any member of the House of Commons in this connection, but for my part I feel sure that if the public knew the extent of the expenses and the sacrifices to which an elected member is subject in discharging his parliamentary duties there would be general approval of a more generous provision for pension when he is retired from Parliament. I think we in this house can speak quite freely on this matter because our appointments are for life, and at the same time we do know something about the problems of members of Parliament. We know how a man, when he is first elected to the House of Commons, must make a decision as to whether he is willing to keep two establishments going—one in his own constituency and one down here—or whether he is going to go to the expense of moving his family from his home so that all the family may be together here in Ottawa, with all the additional expense that goes with setting up a new establishment, plus the fact that after he has been here in Ottawa for four years, eight years or twelve years he may have to go back, after having given up the better part of his life, and attempt to pick up the threads of his business or profession or whatever it may be. For those reasons I am speaking on this matter with the suggestion that the provisions for pensions for members of Parliament are ungenerous and inadequate.

There seems to me to be another striking omission along a similar line. In the United Kingdom, in the United States, in Australia and elsewhere special pensions are provided for those who have held the highest position in their countries. As far back as 1937 the Parliament of the United Kingdom passed an act providing a pension of £2,000 a year for a Prime Minister over and above the pension which he would receive as a member of Parliament. In 1958 the United States Congress provided a pension for its President of $25,000 a year, plus certain allowances for expenses.

We in Canada should not lag behind in making proper provisions for the highest office in our country. This is not a matter to be judged upon the personalities or the circumstances of the men who from time to time may be our Prime Minister. We owe it to ourselves, to our own dignity and our own self-respect, that the office of Prime Minister in this country be recognized fittingly by an adequate pension. It does not matter who is now Prime Minister, or who have been Prime Ministers in the past, or who may be in the future. Canada should provide a special pension for Prime Ministers, past, present and future.

May I read to you some of the remarks made in the House of Commons in England in 1937? At that time the Right Honourable Stanley Baldwin was Prime Minister. A bill was introduced by Sir John Simon, as he

then was, Secretary of State for the Home Department, who, on second reading, said:

It seems to us that the position of ex-Prime Minister is quite by itself. A man who has been Prime Minister in this country is sure to have had a long public career. He has borne far the greatest burden in the state. There are many possible sources of income which are open to lesser men which he cannot suitably exploit.

The provision was supported by the leaders of the other parties. Mr. Arthur Greenwood, the leader of the Labour Party, which was then the official Opposition, said:

I think that the principle of providing what we on this side of the house would call "adequate maintenance" for ex-Prime Ministers should be maintained. We are not accepting any particular figure, but it is no doubt right that an ex-Prime Minister, having borne the weight of responsibility as Prime Minister, should be relieved of the temptation of writing for the Hearst press in America or seeking to make adventitious gains by other means. Therefore it seems to us right, apart from the question of the figure, that this house should honour the services, irrespective of party, of one who has achieved the very high rank and carried out the very arduous duties of Prime Minister.

Mr. Archibald Sinclair, Leader of the Liberal Party, said:

I agree that a Prime Minister ought to receive a pension.

The then Prime Minister, the Right Honourable Stanley Baldwin, in speaking to the bill, quoted from a statement by the Right Honourable Herbert Asquith as follows:

I confess I think the Prime Minister is underpaid. I was in office myself continuously for eleven years and I do not suppose that my experience is in the least unique, but I was a much poorer man when I left office than when I entered it.

These quotations are equally applicable in Canada. In calling attention to this matter I do so in the hope that my suggestion will command the support of all members of this house, and if so, that the Leader of the Government (Hon. Mr. Aseltine) will commend it to the attention of the Government itself. I believe it would have the support of all reasonable Canadian citizens.

Hon. W. Ross Macdonald: Honourable senators, I had intended to make reference to a number of items in this bill, but as the hour is getting along and we are to have royal assent at 5.45 p.m. I will restrict my remarks to one or two matters. I had thought royal assent might be at 10 o'clock tonight, but as the budget is being presented in the other house this evening I suppose it would not be appropriate to have royal assent at that hour.

I wish to thank the honourable Leader of the Government (Hon. Mr. Aseltine) for making sure that the bill which has been presented to us on this occasion is in the same form as that in which a similar bill was presented on a former occasion. It is a great improvement over the form in which such bills used to be drafted. I am sure the house is grateful to the honourable leader for having brought the need for a change in the form of these bills to the attention of the Government.

Under the circumstances I am going to refer to one item only, namely, Vote 664, which has reference to the superannuation of Lieutenant-Colonel W. J. Franklin. As the honourable Leader of the Government said last night, Lieutenant-Colonel Franklin has rendered splendid service not only to Parliament but also to his country. He served Canada in two World Wars. He was honoured by his regiment, the Stormont, Dundas and Glengarry Highlanders, by being made its Honorary Colonel. He came to the House of Commons as Sergeant-at-Arms, and during the time he held that post I had the good fortune to be Speaker of the House of Commons. No member of Parliament has more association with the Sergeant-at-Arms than does the Speaker of the House of Commons. In that house the Sergeant-at-Arms holds a position comparable to that held in the Senate by the Gentleman Usher of the Black Rod. The duties of the Sergeant-at-Arms include the administration of a large portion of the affairs of the House of Commons. He must deal with many employees and officers, and I always found Colonel Franklin to be a man of tolerance, patience and great understanding. He served Parliament very well indeed, and I might say that our relations during the four years in which I was associated with him were indeed very happy. I am sure we are all glad that the provision referred to yesterday is included in the bill, and that we all wish Colonel Franklin great happiness during the many years of retirement which we trust lie before him.

Honourable senators, I would also like to say a few words in regard to the matters mentioned in the latter part of the remarks made by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard). He referred to the pension which is paid to members of the House of Commons after they have retired or are defeated at the polls after having served in that house through a number of Parliaments. I have always felt the amount of the pension is indeed rather small, to say the least.

Hon. Mr. Brunt: Entirely inadequate.

Hon. Mr. Macdonald: Any honourable senator who has served in the House of Commons or any Legislature throughout the

country knows that it is difficult, indeed impossible, to fulfil one's duty as a member and at the same time carry on a business or profession. It just cannot be done, and many members who have been faithful to their constituents in Parliament have gone back home to find their business or profession practically gone. For this reason I should be most pleased if the Government could see fit to review the present scheme. I am not going to suggest how it should be done. The honourable senator from Toronto-Rosedale reminded us that it is a contributory pension, and I think it should be, but in my opinion it should be higher than it is at present for those who have devoted such a large part of their time to the affairs of the nation.

I am in complete accord also with the honourable senator's suggestion regarding payment of a pension to ex-Prime Ministers. The honourable senator reminded us that in the United Kingdom, the United States, Australia and other countries a pension is paid to ex-Prime Ministers and Presidents. I believe there are certain provinces in Canada where at the present time a pension is paid to ex-Prime Ministers.

We know that the duties of a Prime Minister are arduous and responsible and we can never repay him in dollars and cents for the services he has rendered. I think that any Canadian Prime Minister could have made a vastly greater sum of money had he devoted his time and talents to private interests. Upon the retirement of a Prime Minister to private life his public services should be recognized in some way. There are not many ways in which that can be done in this country, but the least we can do is to award a pension. I join with the honourable senator from Toronto-Rosedale in suggesting that the honourable Leader of the Government in the Senate bring this proposal to the attention of the Government.

(Translation):

Hon. Léon Méthot: Honourable senators, without endorsing everything that was said by the two honourable gentlemen who spoke before me, I would like to express my wholehearted approval of the suggestion made by the honourable senator from Toronto-Rosedale (Hon. M. Leonard) with respect to the life pension which we should grant to those who have been Prime Ministers of our country.

It would seem proper that those who have devoted themselves to that extent should not have to suffer because they were willing to give such generous service to their fellow citizens. If they were chosen to direct the affairs of the country, it was because we had faith in their ability and wisdom. They might very easily have refused the position in order to continue working in their own interest and that of their family. If they were willing to forgo advantageous positions for the good of their fellow citizens, it is not reasonable that they should suffer for it.

(Text):

We justly claim that our form of Government permits us to choose the best men for the administration of our country. In many cases, these persons in agreeing to perform the function we ask them to undertake are faced with the necessity of abandoning the practice of a profession, an art or a trade which provided them with the income to improve the situation of their families.

I understand that in the old days members of Parliament did not receive anything, even in reimbursement of their expenses. I believe I read somewhere that during the winter session they were obliged to bring along their own food. I did not notice any reference to liquor, though. After a certain time it was found that only wealthy persons were able to accept such a situation and that consequently our Parliament was not representative of all our fellow citizens. Since then we rightly thought that it was better to pay members a salary. Later it was unanimously decided that after having served three terms they were entitled to a pension.

Our friend the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) suggests that a special pension be paid to every past Prime Minister. I am convinced that after a man has devoted himself to the service of his country he should be entitled to have a security which would be in accordance with his merit and the services he rendered. I entirely approve of the proposal made by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) and so eloquently supported by the honourable Leader of the Opposition (Hon. Mr. Macdonald), and I hope that the Government will give careful consideration to this suggestion.

Hon. William H. Golding: Honourable senators, I would like to ask the Leader of the Government (Hon. Mr. Aseltine) a question, but before doing so I will explain what it is that I desire to get information on.

In the schedule to Bill C-55, page 3, reference is made to an expenditure of $57,661,176, the estimated amount required to recoup the Agricultural Commodities Stabilization Account for the net operating loss of the Agricultural Stabilization Board during the fiscal year 1959-60.

On page 4 we find three items, Votes 650, 651 and 652 under the Department of External Affairs. Vote 650 is to reimburse the Agricultural Commodities Stabilization

Account for dry skimmed milk donated to international relief agencies, organizations and governments—I presume that was for distribution outside of Canada—the amount required being $1,064,220.

The next item, Vote 651, is to reimburse the Agricultural Commodities Stabilization Account for canned pork donated to Japan for the relief of typhoon victims. The amount required is $60,000.

In Vote 652 an amount of $1,096,442 is required to reimburse the Agricultural Commodities Stabilization Account for canned pork donated to international relief agencies.

Adding those four amounts we get a total of $59,881,838, which is the loss incurred in handling these products that are under a floor price. My question is: Does this represent the total loss to the Government in handling these products? Have any payments been made to any sources other than those organizations described in the four items I mentioned, and if so, what is the amount involved?

Hon. Mr. Aseltine: Honourable senators, I think I explained the $57,661,176 item fully yesterday when I dealt with Vote 650.

I believe I stated that there was a first supplementary estimate of $2,500,000, and this supplementary estimate of $1,064,220, which is to reimburse the Agricultural Commodities Stabilization Account for dry skimmed milk donated to international relief agencies, organizations and governments. The total of the two items in this supplementary and the previous one is $3,564,220. But that is not a loss under the operations of the Stabilization Board, as far as I know.

Hon. Mr. Golding: Actually, it is a loss in the handling of these products, as I understand it. But what I am concerned about is whether we have the figure of the total loss for the fiscal year 1959-60. What does the total loss for the year amount to?

Hon. Mr. Aseltine: I refer you to Vote 640, in the amount of $57,661,176, which I believe is the total loss to the Stabilization Board.

Hon. Mr. Crerar: May I ask the honourable leader if the $57 million-odd is the amount of the loss after reimbursement by the Department of External Affairs for the donations of skimmed milk, canned pork to Japan, and so forth, or is it in addition to these items?

Hon. Mr. Brunt: It is in addition to these items.

Hon. Mr. Aseltine: The Department of External Affairs made these contributions of food, I suppose, by way of relief, and the cost of them is charged up to that department.

Hon. Mr. Crerar: I am quite aware of that. The three votes, 650, 651 and 652, are to reimburse the Agricultural Commodities Stabilization account. As a matter of bookkeeping, the Department of External Affairs is paying these amounts over to the stabilization account.

Hon. Mr. Aseltine: Yes.

Hon. Mr. Crerar: My question is this: Is the $57 million loss which we are providing for in Vote 640 the amount before or after the transfer of funds from the Department of External Affairs?

Hon. Mr. Brunt: The payments in Votes 650, 651 and 652 are for losses in addition to the $57 million.

Hon. Mr. Lambert: May I ask the honourable senator why he describes these items as losses?

Hon. Mr. Brunt: If you look at item 640 you will see the words "net operating loss".

Hon. Mr. Golding: The question I would like to get an answer to, if I can, is whether that amount represents the total loss in the handling of these agricultural products that have a floor price, or have other payments been made previous to these supplementary estimates now before us? In other words, what is the total loss for the year?

Hon. Mr. Aseltine: The amount of $2,500,000 was included in the first supplementary item, and I believe that would have to be added to this amount.

Hon. Mr. Wall: May I make a remark apropos of the question asked by the honourable senator from Huron-Perth (Hon. Mr. Golding)? I understood yesterday afternoon that we had purchased approximately 130 million pounds of pork and that it is now in storage. Therefore I would assume that when that quantity of pork is disposed of we shall find additional losses creeping up, perhaps in next year's estimates, charged to the stabilization account on this year's operation.

Honourable senators, while I am on my feet, may I ask a question and make a suggestion? When bills of this nature come before this house would it not be helpful if we resolved ourselves into a Committee of the Whole, where questions could be more easily asked and the answers more readily given?

Hon. Mr. Roebuck: That is practically what we are doing now.

Hon. George H. Barbour: Honourable senators, I would like to refer to Vote 691, Prince Edward Island car ferry and terminals, $825,090. I am not opposed to the amount, but I should like to point out the importance to Prince Edward Island of the ferry service between the mainland and the Island.

In the autumn of 1958 the Boards of Trade at Summerside and Charlottetown sent well-worded resolutions to the Minister of Transport asking him to provide a new ferry ice-breaker, somewhat like the *Abegweit*. Then, in March of last year I wrote a letter to the Honourable George Hees, Minister of Transport, in which I told him I had received copies of the resolutions that had been sent to him by the Boards of Trade and that the people on the Island were concerned about the service. He replied to me, as follows:

> As you know, the question of constructing a causeway at Prince Edward Island has been under active consideration for some time, and it, of course, has had to be taken into account in the current investigation of the feasibility of providing the new ferry to which you refer. As yet there is not available a complete report on the subject, but it is expected that at least a preliminary report will be submitted in the near future.

Having received no further report, about two weeks ago I again wrote to the Minister of Transport. He advised me that a contract has been let for a new automobile ferry to be built at Halifax. This ferry will carry 68 or more motor cars, but it will not take any railway cars. The causeway, as it happens, comes under the Minister of Public Works, and the ferry service is under the Minister of Transport. I am not one who is complaining about the Minister of Public Works for not giving his report, because it is such an undertaking that I think every part of it should be examined, and it should be known whether it is feasible to build it there before anything further is done. I am of the opinion that we shall not get a report very soon.

In Prince Edward Island on the Trans-Canada highway a causeway is being built across Hillsborough River. Two years ago they started to put in the fill. It is about half a mile across the river, and the contract for the piers was let to a firm in Halifax. That firm started to put in the piers after the fill was in. They poured hundreds of tons of concrete and they have lost it all. Consulting engineers came from different parts to see if they could tell them what was wrong and what they should do. There were about nine spans across the river before they put in the fill. They found that the tide was running at three or four knots before they put in the fill, and after they put in the fill it was running at about 13 knots, and this is what the engineers did not figure on. I think we are entitled to expect that engineers will not go out on a limb and recommend something they are not sure of.

The *Abegweit* is scheduled to go into dry dock on April 9, and is expected to be there until May 24, but it will likely be there much later than that. We are left with a car ferry that is nearly 45 years old, and another ferry that was used down at Canso in Nova Scotia. This matter is very important. I think it is more important than anything else for the economy of our province that we have a boat suitable to go across there in the winter.

May I read now something from the paper which I received last night? It says:

> The *Abegweit* continued Monday to battle heavy ice in Northumberland Strait after a weekend of shattered schedules and fidgety passengers.
>
> The powerful icebreaking CNR ferry was back on schedule after two tough days of bucking ice floes 10 feet thick in the narrow Northumberland Strait between New Brunswick and Prince Edward Island.
>
> Trouble with the ice—described by veteran railway men here as the worst in 15 years—appeared to be lessening, at least temporarily.
>
> "Saturday and Sunday were desperate," one official said. This community is the Prince Edward Island terminal for the ferry which runs to Cape Tormentine, N.B.
>
> The 6,694-ton *Abegweit*, specially designed to batter through the unpredictable ice that funnels through the strait in huge cakes, took up to four hours during the weekend to make the normal 55-minute crossing.
>
> The 372-foot vessel at one point Saturday inched her way into the ice-crusted dock here, taking two hours to do it. She failed twice to get into Cape Tormentine because of the crazy-shaped ice pans that rammed up into her berth.
>
> At one time Saturday, the *Abegweit* veered five miles off course to find a weak spot in the ice. Finally she reached Cape Tormentine, but was unable to dock.

Honourable senators will see that if we are to get our produce across in carload lots we must have a ferry that is capable of fighting the ice floes that are there. That car ferry will take 17 loaded railway cars along with 75 automobiles, and 200 or 300 passengers. A new ferry may not be as elaborate as the one that is there but it should be capable of going through heavy ice. If at any time a causeway is built the ferry can be used between Sydney and Newfoundland or at other places. There are lots of places where it can be used if it is not needed to serve Prince Edward Island.

My honourable colleague from Murray Harbour (Hon. Mrs. Inman) spoke of the hardships that were endured years ago, but that time has passed. We can now fly across the strait in a very short time. I would ask the honourable Leader of the Government (Hon. Mr. Aseltine) to bring this to the attention of the minister and see what can be done about it.

Hon. Mr. Aseltine: Honourable senators, I have listened with a great deal of interest to the remarks made by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard), the Leader of the Opposition (Hon. Mr. Macdonald) and the honourable senator from Shawinigan (Hon. Mr. Méthot). They impressed me strongly and I shall be only too happy to bring the whole question dealt with by them to the attention of the Government at the earliest possible moment.

With regard to the question asked by the honourable senator from Huron-Perth (Hon. Mr. Golding), I will read the *Hansard* report of what he asked me to explain. If I have not already explained it properly I will make a point of getting him a full and complete answer. I will also bring the matter mentioned by the honourable senator from Prince (Hon. Mr. Barbour) to the attention of the Government as soon as I can.

Hon. Mr. Golding: Thank you.

Motion agreed to and bill read second time.

THIRD READING

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

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

Hon. Wishart McL. Robertson: Honourable senators, I have no intention of delaying this house at this late hour. Following the behest of the honourable Leader of the Government (Hon. Mr. Aseltine) I studied the estimates and I did have a few observations to make, but time is getting late and it seems impossible for me to do so now. Consequently, the world will have to wait a little longer for my observations.

I would like, though, to add my support to the suggestion that was made by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) and endorsed by other honourable senators for payment of a pension to ex-Prime Ministers. If I remember correctly, once during the time I occupied the position which the honourable senator from Rosetown (Hon. Mr. Aseltine) now graces so well, I suggested it would be worth while to contemplate paying a pension to our ex-Prime Ministers, particularly in view of what was being done along that line by our leading associates, Great Britain, the United States, Australia and other countries.

As to my general observations on the bill, I did not intend to oppose the estimates in any respect, but there were some items as to which I thought we might learn some useful lessons. However, as I have said, the world will have to wait for my comments.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, I move that the Senate adjourn during pleasure to reassemble at the call of the bell.

Hon. Mr. Crerar: When the Senate adjourns today will it stand adjourned until Monday evening or Tuesday evening or shall we be sitting tomorrow?

Hon. Mr. Brunt: Be patient.

Hon. Mr. Aseltine: When we reassemble I shall be able to answer the inquiry of the honourable senator from Churchill.

The Senate adjourned during pleasure.

At 5.40 p.m. the sitting was resumed.

NATIONAL ENERGY BILL

COMMONS AMENDMENTS CONCURRED IN

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons returning Bill S-26, to amend the National Energy Board Act, and acquainting the Senate that they have passed this bill with some amendments to which they desire the concurrence of the Senate.

Amendments read by the Clerk Assistant:

1. Lines 4 to 12. Delete Clause 1.
2. Lines 13 and 14. Substitute for:

"2. Section 99 of the said Act is amended by adding thereto the following subsection:" the following

"1. Section 99 of the National Energy Board Act is amended by adding thereto the following subsection:"

3. Lines 28 to 31. Delete Clause 3.

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

Hon. W. M. Aseltine: With leave, I move that these amendments be concurred in now.

Honourable senators, as I understand the amendments, clause 1 was deleted from the bill, and clause 2, which now becomes clause 1, is amended to read:

Section 99 of the National Energy Board Act is amended by adding thereto the following subsection:

Clause 3 of the bill is deleted.

Hon. W. Ross Macdonald: Honourable senators, I am not surprised that these amendments have been made. Honourable senators who were at the committee meeting will recall that the need for the two clauses which have been struck out was questioned, and

when the committee report came to this house further criticism was made of the inclusion of the clauses in the bill. The objection to clause 1 was based on the question whether or not the Government was interfering with provincial rights and also if there was any urgency in respect to it. The honourable senator who sponsored the bill (Hon. Mr. Brunt) was not sure whether there was any urgency.

The need for clause 3 was questioned by a number of honourable senators on this side of the house. One of our most experienced senators, the honourable senator from Gulf (Hon. Mr. Power) remarked that in all his forty years in Parliament he could not recollect the inclusion of such a clause in a bill of this sort. I am sure he was right. The honourable senator from Churchill (Hon. Mr. Crerar) made a similar observation.

I understand the amendments were proposed by the Government. It paid heed to the fears that were expressed by honourable senators and recommended that the bill contain only clause 2, respecting expiration of the licences.

Hon. Mr. Aseltine: It was a matter of expediency.

Hon. Mr. Macdonald: There was some urgency as to clause 2. I for one am very glad that in the other place clauses 1 and 3 were struck out, and I think in future the Leader of the Government (Hon. Mr. Aseltine) and his supporters in this house should pay more attention to the views expressed on this side of the chamber.

Amendments concurred in.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, as I said earlier this afternoon I am not sure of what we can expect to receive from the other house before the Easter adjournment. The bill with respect to the Federal-Provincial Tax-Sharing Arrangements may come to us on Tuesday. Therefore I move that when the Senate adjourns today it stand adjourned until Monday next, April 4, 1960, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act for the relief of Janet McMillan Sim Sinclair Kerr.

An Act for the relief of Jacqueline Joly Mazurette.

An Act for the relief of Shirley Evelyn Ellis Bertram.

An Act for the relief of Sally Emden Rohr.

An Act for the relief of Barbara Steinberg Shapiro.

An Act for the relief of Olga May Hospadaruk Edwards.

An Act for the relief of Georgette Rosenberg Korman.

An Act for the relief of Donald Snowdon.

An Act for the relief of Mary Nisbet Clements.

An Act respecting the Canadian Public Health Association.

An Act respecting The Algoma Central and Hudson Bay Railway Company.

An Act to amend the National Housing Act 1954.

An Act to amend the Indian Act.

An Act to amend the Canada Elections Act.

An Act to amend the National Energy Board Act.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bills:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

An Act for the granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1960.

To which bills I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bills.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Monday, April 4, at 8 p.m.

THE SENATE

Monday, April 4, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following document:

Report on Patents of Invention, dated December 31, 1959, by the Royal Commission on Patents, Copyright and Industrial Designs. (English and French texts).

INDIAN AFFAIRS

JOINT COMMITTEE QUORUM

Hon. James Gladstone, Joint Chairman of the Joint Committee of the Senate and the House of Commons on Indian Affairs, presented the first report of the committee:

Report read by the Clerk Assistant:

Your committee recommend that 9 members of the committee constitute a quorum, provided that both houses are represented.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Gladstone: With leave of the Senate, I move that the report be adopted now.

Report adopted.

DIVORCE

PETITIONS—EXTENSION OF FILING DATE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's 341st report:

The committee recommend that the time limited for receiving petitions for bills of divorce which expired on Wednesday, February 24, 1960, be extended to Monday, April 4, 1960.

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Mr. Roebuck: With leave, I move that the report be adopted now.

Honourable senators, I think some explanation is due to those who are not members of the committee. It will be remembered that last year we extended the time because we wanted to ensure that a certain child would be born in wedlock. The situation of children appeals to this committee very strongly, as honourable senators know. At the present time there are three children in an exceedingly difficult position in their homes. I need not go into all the details, and I do not wish to do so; it is enough to say that the extension of the date for filing petitions is being requested on their account and on account of some others as well. There are only about 15 cases where petitions have been filed but not on time. In a single day we could clean up the whole 15 cases if all went on, but obviously that will not happen. Last year when we extended the date for filing there were, if my memory serves me, 18 such cases, and my recollection is that only three or four went on. What the committee recommends is not, therefore, a great matter. I can assure my colleagues that it is, however, a matter of kindness, which is thoroughly justified in the interests of the children. We are not acting on behalf of petitioners or the co-respondents; we are acting on behalf of the children, and no one but the children. That is sufficient to move the committee of which I have the honour to be chairman. We are not asking for very much, and we shall not be taking on very much of a burden if the filing date is extended. I therefore trust that the committee's recommendation will meet with unanimous approval.

Report adopted.

CONSTRUCTION

BUILDING PERMITS

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

What was the total number of building permits issued in Canada each year since 1945
(a) for new residential constructions;
(b) for non-residential constructions?

Hon. W. M. Aseltine: The answer to the honourable gentleman's inquiry is as follows:

Data on the number of building permits issued in Canada each year since 1945 are not available. Statistics on the value of building permits issued in Canada each year since 1945 are shown in the table below.

Value in thousands of dollars of Building Permits issued in Canada

Year	New residential construction	Non-residential construction
1946	$ 182,733	$ 182,906
1947	Not Available	Not Available
1948	350,228	267,495
1949	411,958	299,908
1950	487,793	426,824
1951	402,483	415,780
1952	559,098	452,894
1953	751,724	612,659
1954	826,227	637,663
1955	968,025	773,644
1956	902,084	854,358
1957	891,623	874,894
1958	1,323,792	975,889
1959	1,190,580	1,123,815

CURLING

DOMINION AND SCOTCH CUP CHAMPIONS—TRIBUTE TO VICTORIOUS RINKS

On the Orders of the Day:

Hon. R. B. Horner: Honourable senators, before the Orders of the Day are called I

with to draw your attention to a matter of considerable importance to Canada and particularly to the province of Saskatchewan, namely, an unusual occurrence in the history of that great game of curling. The Richardson boys have not only cleaned up in Canada, but they have also done so in Scotland for the second year. The grandparents and many other relatives of these boys live in the province of Quebec not more than 50 miles from where we are sitting at the present moment.

Another great honour for Saskatchewan is that the ladies from Saskatoon have cleaned up throughout Canada. Joyce McKee skipped the rink from Saskatoon.

So Saskatchewan is really coming into its rightful place in regard to sport, at any rate.

DIVORCE

THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved third reading of the following bills:

Bill SD-283, for the relief of Joan Dunn Ostrosky.

Bill SD-284, for the relief of Teresa Greco Caputo.

Bill SD-285, for the relief of William Pinkerton.

Bill SD-286, for the relief of Frank David Cousens.

Bill SD-287, for the relief of Denise Baril Sarrazin.

Bill SD-288, for the relief of Wassily de Krokhaleff.

Bill SD-289, for the relief of Henriette Rioux Beaupre.

Bill SD-290, for the relief of Lillian Olive Robertson Reinhold.

Motion agreed to and bills read third time and passed, on division.

FEEDS BILL

SECOND READING

Hon. Arthur M. Pearson moved the second reading of Bill S-27, to control and regulate the sale of feeds.

He said: Honourable senators, Bill S-27 is a revision of the Feeding Stuffs Act, which was last revised in a major way in 1937. The bill at present before Parliament in no way changes the basic provision of the present act. Some technical details respecting registration, standards, packaging, labelling and analysis are not in the bill, although in the present act, but authority is provided for their establishment by regulations of the Governor in Council. This is considered desirable to provide a more ready method of amendment of such details as may be necessary to maintain them in keeping with changing conditions and practices in feed usage. The present act is outdated in quite a number of details, as rapid changes have been taking place in usage and types of feed, so it was felt that the Governor in Council should have the privilege of establishing details as to registration, etc.

The act was originally passed in 1921, the last major revision was in 1937, and I think some small changes were made in 1946.

There has been an increased use of feeds as carriers of therapeutic agents for the control of diseases in livestock. This bill is to regulate the sale of livestock feeds, its main provision being that of requiring that feeds be labelled with a list of their ingredients, and that the prescribed chemical guarantee be registered prior to sale so as to meet certain standards of quality and safety.

The general form of this bill followed the pattern of similar agricultural legislation enacted over the past year or two. The proposed act, to be called "An Act to control and regulate the sale of feeds," and which has as its short title "the Feeds Act," provides for certain changes in the act presently known as the Feeding Stuffs Act.

Section 2 of the bill provides for changes in certain definitions. "Analyst" means a person appointed or designated as an analyst pursuant to section 6. Subsection 1 of section 6, you will note, provides that:

> The inspectors and analysts necessary for the administration and enforcement of this act shall be appointed under the provisions of the Civil Service Act.

An analyst may be a person who has special chemical knowledge or one who is able to use a microscopic screen.

Subsection 2 of section 6 provides that:

> The minister may designate any person as an inspector or analyst for the purposes of this Act.

I would point out that the reason for the provision in subsection 1, that analysts and inspectors shall be appointed under the Civil Service Act, is that extra help is needed during parts of seasons, and the minister may designate such persons to help for a short period of time.

Hon. Mr. Wall: May I respectfully point out that subsection 2 does not say anything about their appointment for a short time. It says the minister "may designate".

Hon. Mr. Pearson: The honourable senator is quite right. The short period to which I

refer might be for a year or two years, depending on the amount of work being done.

Hon. Mr. Crerar: Just on that point, I think there is something to be said in support of the objection raised by the honourable junior senator from Winnipeg (Hon. Mr. Wall). There appears to me to be a measure of conflict between subsection 1 and subsection 2 of section 6. Are we to understand that the Civil Service Commission is to set the qualifications for these analysts and inspectors? If it does, then it certifies that certain persons are qualified, but as subsection 2 stands the minister may ignore that altogether and appoint people who are not qualified. Subsection 2 reads:

> The minister may designate any person as an inspector or analyst for the purposes of this Act.

I am merely asking for information. The Civil Service Commission certifies certain people as being qualified. It says: "There is the list". Under this clause the minister could ignore the list altogether and make his own appointments. I do not think that is the intention, but that is the power we would give to the minister under this subsection.

Hon. Mr. Pearson: Under the present Act there are a number of inspectors and analysts, appointed under the Civil Service Act. They are in no way being displaced offhand in order that somebody else might be appointed.

Hon. Mr. Crerar: That would depend on the good faith of the minister in recognizing the individuals certified by the Civil Service Commission. I have not any doubt at all that the present minister probably would do that, but in the course of time he may be displaced and his successor may have different views. On the basis of the information we have at the moment it seems to me that we are really giving the minister quite extraordinary powers.

Hon. Mr. Pearson: I do not think we are discussing the Civil Service Act at this time. Appointments of men to handle this act are made under the Civil Service Act, but the minister, when he wants extra help at certain seasons, may appoint other people without going through the Civil Service Commission. We have a similar situation in the western provinces with regard to the P.F.A.A. Many members of the staff are appointed under the Civil Service Act at the present time, but the Governor in Council, or the minister, appoints a number of inspectors on a temporary basis. They are men taken on from year to year, but that system in no way interferes with the permanent members of the staff. I am just giving that as an illustration.

Hon. Mr. Crerar: If I may say so, I do not think the circumstances are analogous at all. As I read this section, the minister could completely ignore the individuals who had been certified by the Civil Service Commission. He does not need to appoint them. True, subsection 1 reads:

> The inspectors and analysts necessary for the administration and enforcement of this act shall be appointed under the provisions of the Civil Service Act.

Well, if they are appointed under the provisions of the Civil Service Act, how can the minister designate anyone he wishes to perform these duties?

Hon. Mr. Pearson: The only reply I can make to the honourable senator is that this bill will be considered by the Standing Committee on Banking and Commerce, and he may get the information there from the officials.

Hon. Mr. Crerar: That may be so. I am merely asking for information.

Hon. Mr. Taylor (Westmorland): Honourable senators, in the present act there is a provision for appointment of inspectors and analysts. In section 2 of the act you will find this definition:

> (g) "official analyst" means any analyst appointed under this act.

And section 9 reads:

> There may be appointed in the manner authorized by law such inspectors and analysts as the Minister may consider necessary . . .

There is no reference to the Civil Service Act in the present act. This is the usual clause that is put into most agricultural inspection acts today. There is usually provision for the appointment of inspectors both by the Governor in Council and by the Civil Service Commission. There is also authority given to the minister to appoint qualified analysts in the event of emergencies when there are not sufficient qualified analysts appointed under the Civil Service Act to do the work that is necessary. As the sponsor of the bill (Hon. Mr. Pearson) has pointed out, it may at times be necessary to appoint additional analysts who are not required to be full-time employees.

Hon. Mr. Pearson: Referring back to the interpretation clause:

> "Feed" means any substance or mixture of substances containing proteins, carbohydrates, fats, minerals, condiments or vitamins . . .

That definition is similar to the one contained in the present act, but there have been added subparagraphs (i) (ii), as follows:

> (i) for consumption by livestock,
> (ii) for consumption by livestock in combination with other materials.

Hon. Mr. Wall: May I ask a question at this point? I notice that the definition of the word "feed" begins with the words

> ...means any substance or mixture of substances...

It does not exclude anything. The present act, in section 3, excludes from the regulations with respect to the sale of feed whole hays, straws, corn stover and silage when unmixed with any other material; also hulled oats, hulled barley, and so on. According to the definition here everything is going to be included in "feed" under this act and the regulations respecting the sale of feed.

Hon. Mr. Pearson: This was done deliberately, honourable senators, so that the minister or the Governor in Council would be enabled to use discretion under the regulations to indicate the substances and the mixture of substances instead of being restricted to certain types of things. The number of changes now taking place in mixtures would make it necessary to have frequent amendments to keep the act up to date. If each item is not specified the Governor in Council can bring the act up to date as changing conditions warrant.

Hon. Mr. Connolly (Ottawa West): Where is that power given to the Governor in Council?

Hon. Mr. Pearson: The definition of the word "label" has been changed. Subparagraph (d) of section 2 reads:

> "label" includes any legend, word, mark, symbol or design applied or attached to, included in, belonging to or accompanying any feed or package.

All feeds that are sold at the present time must either have the ingredients of the contents of the package stated on the outside of the package, or in a pamphlet which is attached to the package or which is given away when the package is sold. At one time a brand name was sufficient, but now all the ingredients have to be designated on the package.

Honourable senators will see that section 2(e) defines "livestock" as:

> "Livestock" means horses, cattle, sheep, goats, swine, foxes and poultry...

Mules have been left out. Apparently they have died a silent death in Canada. There are no more mules to worry about, so they have been left out of the bill.

Section 2(h) says:

> "Prescribed" means prescribed by regulation;

In other words, the Governor in Council will prescribe.

Section 2(i) defines "sell" as:

> "Sell" includes sell, offer for sale, expose for sale, have in possession for sale and distribute.

The feed has to be labelled before you sell it. It is not specified that you cannot advertise in newspapers, but if you do advertise in newspapers and do not produce the goods you are liable under the Criminal Code.

Under the heading "Registration," section 3, dealing with the sale and importation of feeds, reads:

> No person shall sell or import into Canada any feed unless the feed
>
> (a) has been registered as prescribed;
>
> (b) conforms to prescribed standards; and
>
> (c) is packaged and labelled as prescribed.

Hon. Mr. McDonald: May I interrupt the honourable senator to suggest that if it is convenient he might tell us the sections in which changes are being made. I think perhaps we could make more progress in that way.

Hon. Mr. Macdonald: That is a good idea.

Hon. Mr. Pearson: I believe that section 3 is new.

Section 4 is an exception clause. In the present act section 3 is the exception clause. As the honourable junior senator from Winnipeg (Hon. Mr. Wall) has said, section 3 of the act specifies whole hays, straws, corn, stover and silage, and so on. The new section 4 reads:

> (1) Section 3 does not apply to feeds sold by an individual grower thereof if they are free from prescribed deleterious substances.

These substances might be the sprays used for killing weeds and pests or they might be certain drugs in the feeds.

Section 4 (2) reads:

> Paragraphs (a) and (b) of section 3 do not apply to any feed consisting of whole seeds or grains of cultivated farm crops.

Next I would like to refer to one paragraph of section 5, under the heading "Regulations".

> The Governor in Council may make regulations
>
> (i) designating specific animals and birds as livestock for purposes of this act.

The word "birds" is used there instead of "poultry" because of the possibility of some bird such as a pheasant becoming a farm product. The legislation is made inclusive so as to avoid the need for a change later.

Hon. Mr. Macdonald: Is section 5(i) in the present act?

Hon. Mr. Pearson: Under "Regulations?"

Hon. Mr. Macdonald: Yes.

Hon. Mr. Pearson: No; there are very few regulations in the present act. Section 4(5) of the act reads:

> When in his opinion the public interest so requires the minister may by regulation provide that only

feeding stuffs of the kind or composition specified in such regulations shall be eligible for registration under this act...

There is very little in the act with respect to regulations.

Hon. Mr. Macdonald: As a matter of curiosity, could the sponsor (Hon. Mr. Pearson) tell us what birds are likely to be designated as livestock?

Hon. Mr. Pearson: For the most part the birds one sees on the farm today: hens, turkeys, geese, ducks and guinea hens.

Hon. Mr. Aseltine: They are all birds.

Hon. Mr. Pearson: Under the heading "Administration," dealing with the powers of an inspector, section 7(1)(b) reads:

7. (1) Any inspector may at any reasonable time (b) require any person to produce for inspection or for the purpose of obtaining copies thereof or extracts therefrom, any books, shipping bills, bills of lading, documents containing mixing instructions, or other documents or papers with respect to the administration of this act or the regulations.

That is, the inspector may at any time require a person whose feed sale room he visits to produce evidence of the goods he has for sale. In a manufacturing plant the person who is making up feeds has in front of him a list which designates the ingredients in those feeds. As these feeds are registered the inspector has been furnished with a copy of what should be in the particular feed being made under the registration plan, so when he goes into a plant he merely has to look at the list to determine whether the manufacturer is living up to the standard required under the particular registration.

Honourable senators, I think for the most part the remainder of the bill deals with seizure, detention, forfeiture, and so on.

The forfeiture is automatic. Subsection 3 of section 8 says:

Where a person has been convicted of an offence under this act, every article by means of or in relation to which the offence was committed is, upon the conviction, in addition to any penalty imposed, forfeited to Her Majesty.

Under the title "Offence and Penalty", section 10, subsection (1) (a) says that anyone who violates any provision of the act or any regulation under section 8(4) is liable

on summary conviction to a fine not exceeding five hundred dollars or to imprisonment for a term not exceeding six months or to both fine and imprisonment,...

Hon. Mr. McDonald: Is there any change from the present section?

Hon. Mr. Pearson: Yes. The present section specifies a minimum of $5 and a maximum of $500. Often if the person under charge committed quite a serious offence he was fined only $15 or $20, which was considered a fair penalty for his misdemeanour, whereas if no minimum amount had been mentioned he might perhaps have been fined, say, $100. The minimum fine is therefore omitted, and only the maximum fine of $500 appears in the bill. Thus the amount of a fine imposed would tend to vary according to the maximum rather than the minimum. I do not think there is any other change than that.

The Feeding Stuffs Act, chapter 113 of the Revised Statutes of Canada, 1952, is repealed, and section 14 of the bill says that the new act shall come into force on a day to be fixed by proclamation of the Governor in Council.

It might be interesting to have some figures—

Hon. Mr. Crerar: Before my honourable friend goes on, may I draw attention to subsection 2 of section 11, which section he did not mention. I admit at once that I am not familiar with the rules of evidence and the character of evidence that should be presented to a judge or a magistrate who might be trying a case. However, subsection 2 appears to me to be rather extraordinary. It says:

In a prosecution for a violation of this act, a document purporting to be the certificate of an analyst—

which I presume would be the basis of proof of the charge—

shall be received in evidence without proof of the signature of the person by whom it purports to be signed and without proof of his official position.

Hon. Mr. Aseltine: That is the usual clause in all these bills. If the defendant could prove, by evidence, that the certificate was an improper one, it would not be part of the case. At any rate, it could not be considered as evidence for a conviction.

Hon. Mr. Crerar: Of course, in such matters I am somewhat handicapped. As I read this clause, a charge might be laid against an individual, who would be haled before a magistrate or a judge, and the prosecutor could present a certificate as evidence that the individual violated the law. Then, if I read this clause aright, the magistrate or judge would be required to accept the certificate as evidence—

Hon. Mr. Aseltine: Does my honourable friend think for a moment that under this section a prosecutor for the Crown would dare to produce a certificate that was not signed by a proper person?

Hon. Mr. Crerar: If that is the case, then why have this section?

Hon. Mr. Aseltine: It saves a lot of trouble and expense.

Hon. Mr. Crerar: It seems to me to be really rather extraordinary.

Hon. Mr. Haig: Let me help out my honourable friend. I used to deal with liquor cases at one time when I was practising law. We used to have a certificate as to the alcoholic content of liquor seized. In 99 cases out of a hundred the lawyer on the other side knew the man who signed the certificate was a qualified person, but if he did not we had to get another certificate, to the effect that he was qualified.

Hon. Mr. Crerar: I think this is very important, because it may touch the liberty of the subject. A prosecutor may present a certificate which is not from an analyst at all, yet as I read this it shall be received in evidence without proof of the signature of the person by whom it purports to be signed and without any proof of his official position. It may be all right, but it seems to me to be rather an extraordinary section. Perhaps some of the legal gentlemen on this side of the house could make a contribution to the discussion.

Hon. Mr. Pearson: Honourable senators, I think that matter can be brought up in committee and dealt with much more easily than here.

Hon. Mr. Crerar: I dare say that is right.

Hon. Mr. Pearson: It may have been felt necessary to put that in the bill. The Department of Justice no doubt felt it was better to bring out an entirely new act than to amend the present one.

Hon. Mr. Crerar: Is this provision in the present act?

Hon. Mr. Pearson: No.

Hon. Mr. Macdonald: I thought my friend was going to explain to the house all the clauses in this bill which were not in the previous bill. Are there other clauses in this bill which were not in the act and which the honourable senator has not explained?

Hon. Mr. Pearson: As I said at the beginning, there is very little change. The bill before us in no way changes the basic provisions of the existing act. The only significant change is that technical details with respect to registration, standards, packaging, labelling and analysis are not in the bill, although in the present act, but authority is provided for their establishment by regulations of the Governor in Council. This is considered desirable to provide more ready amendment of such details as may be necessary to maintain them in keeping with changing conditions and practices of feed usage.

I have some figures which might be of interest for agriculturists. The total numbers of varieties of feeds registered in Canada are as follows:

Cattle feeds, 1271; cattle concentrates, 313; cattle minerals, 59; diethylstilbistrol, 88; cattle medicated, 21—total 752.

Hogs: complete feeds, 1609; hog concentrates, 214; hog minerals, 43; hog medicated, 313—total 2179.

Poultry: complete feeds, 2046—total, 3096 types.

Turkey feeds: 858.

The firms selling these feeds are scattered across Canada as follows:

Prince Edward Island, 13; Newfoundland, 7; New Brunswick, 23; Nova Scotia, 20; Quebec, 274; Ontario, 370; Manitoba, 51; Saskatchewan, 14; Alberta, 34; British Columbia, 58—total 864 firms.

Hon. Mr. Wall: May I ask a question of the honourable senator? As I understand the bill it provides for a great deal of flexibility in prescribing new conditions under regulations. My question is this: In section 2, the interpretation section, there is a definition of "sell", which reads as follows:

> "Sell" includes sell, offer for sale, expose for sale, have in possession for sale and distribute.

I presume that this refers only to interprovincial trade, or trade that is within the jurisdiction of Parliament, and not to intraprovincial trade. Would that be correct?

Hon. Mr. Pearson: I do not know the answer to that question, honourable senator.

Hon. Austin C. Taylor (Westmorland): Honourable senators, I regret that I have not had an opportunity of studying the bill in its relation to the present Feeding Stuffs Act. However, since coming into the chamber I obtained Volume III of the Revised Statutes of Canada in which the Feeding Stuffs Act is set out as Chapter 113.

Having gone quickly over present act and the relationship of the bill to it, without having had an opportunity to study the act in its entirety or in detail, I am, generally speaking, much in agreement with the bill.

As the honourable senator from Lumsden (Hon. Mr. Pearson), the sponsor of the bill, indicated, there are few changes other than to bring the legislation up to date. For instance, provision is being made for the Governor in Council to make regulations on matters dealing with a lot of detail work that, in my opinion, speaking as one who has had some experience in the administration of agricultural acts, makes it almost impossible to administer. Under the present act, if certain changes are required to be made in details, the minister has to come

before Parliament to have these changes enacted. Many of those details are being removed from the act. There are 22 sections in the present act, but in the bill before us there are only 14. I may say that most of the additional sections in the act deal with matters of minute detail ordinarily dealt with by the minister or by regulations passed by the Governor in Council giving the minister authority to do such things. As an illustration of that, a schedule to the present act sets out in detail many items of feeding stuffs and gives the details of what they must contain. For instance, the maximum percentage of crude fibre in bran, shorts, middlings and mill feeds is specified. Now, changes will be made from year to year in that content, depending on the protein content of the wheat or grain going into the feed, Therefore, I am sure that in the past it has been found difficult to administer the act.

I think I said something a few moments ago about the analysis. The bill makes the same provision in that respect as does the present act. The honourable senator from Churchill (Hon. Mr. Crerar) has brought up a question about the bill. I recall quite distinctly dealing with a similar question in 1957, when I first came to the Senate. While it was not exactly the same provision, it was criticized, but the measure was finally passed. I would say to the honourable senator that the same provision is in this bill. It is section 11(1), which reads:

> 11. (1) A certificate of an analyst stating that he has examined a substance or a sample submitted to him by an inspector and stating the result of his examination is admissible in evidence in a prosecution for an offence under this act, and in the absence of any evidence to the contrary is proof of the statement of analysis contained in the certificate.

That provision is in the present act as section 17, and I think it will be found in practically all administrative acts of the Department of Agriculture or those dealing with agricultural matters.

Personally I think this bill is an improvement on the present act. However, I am not going to give it my final approval until I have had an opportunity to study it in detail and compare it with the act. I am sure that the bill has been approved by the officials of the department, and I for one have great confidence in them. I have had a great deal of experience with them and know that they are trying to do a good job in presenting to Parliament legislation that will give the farm people the best administration possible.

I should like to see this bill go before the appropriate committee so that the officials may be called to answer whatever questions need to be asked in connection with the bill.

Hon. John J. Connolly (Ottawa West): Honourable senators, before the bill is given second reading I would like to make a few remarks. At the outset may I say that I know really nothing about the subject-matter of a bill which deals with feeds. However, I think it is quite obvious that in this bill we are passing a piece of legislation and at the same time making an act of faith in the minister and the officials who will administer it. This is the kind of legislation which I think Parliament should resist. While it still may be necessary to pass it in its present form, and to sanction the rather extreme provision it contains, I still regard it as an unsatisfactory piece of legislation.

I make that observation because of the extent of the delegation of authority of Parliament which is given by the bill. I make these remarks not in any partisan or political sense, as I am sure all honourable senators will acknowledge. For example, in section 2, the interpretation section, a rather elaborate definition is given of the word "feed". However, paragraphs (d) and (e) of section 5 provide for regulations under which any feed or any person can be exempted from the operation of all or any of the provisions of this act, and for prescribing the form, the composition and other standards for feeds. So regardless of the definitions contained in the bill, power is given to the minister to avoid their application through the regulations.

Some reference has been made to section 6, which provides for appointment of inspectors and analysts. By subsection 1 of that section inspectors and analysts are to be appointed under the provisions of the Civil Service Act. Subsection 2 of that section would give the minister blanket power to designate anyone as an inspector or analyst, and a person so designated may act as an inspector or analyst for as long a time as the minister shall prescribe. I do not think that the minister or anyone in his department is going to use that power for the purpose of appointing some improper person. Nevertheless, as has been pointed out, the authority is given, and the inspector who may be appointed in this way has under section 7(b) authority to enter any place in which he reasonably believes there is any feed to which this act applies, and to open any package found therein which he has reason to believe contains any such feed, and to take samples thereof. He can go into almost any place he chooses and open packages. Moreover, he can require any person to produce for inspection, or for the

purpose of obtaining copies thereof or extracts therefrom, any books, shipping bills, bills of lading and other documents.

These are some of the very wide powers of inspection given under this legislation.

Hon. Mr. Aseltine: Are they not very necessary?

Hon. Mr. Connolly (Ottawa West): I am not arguing that they are not necessary. Perhaps they are, and the department may be able to justify their necessity, as indeed has the honourable senator from Westmorland (Hon. Mr. Taylor). But I would make the point that this is an example of the type of legislation that is so loose and gives so much discretionary power, that I think a legislative body such as the Senate should resist its passage. If in the interests of the country and of the agricultural community the measure should be passed, I think we should pass it with full knowledge of what we are doing.

The provisions of section 11 of the bill, which have already been alluded to, are another example of very wide powers. Certainly, I would not wish to see them in many of the statutes which govern the liberty of the subject. I do not think it helps the case to say that similar provisions have been contained in previous acts. The fact that Parliament has made one such mistake is no reason for repetition of the mistake.

As I say, I do not make these comments in any factious sense, and certainly not in a political sense. But it seems to me that in passing legislation such as this we in this chamber ought to know the full effect of our actions. We cannot know the full effect, because the bill gives discretions almost without limit. It may be that, because of the peculiar nature of the work to be done and of the industry itself, such wide discretionary powers must be given. If so, I think it is a matter for the minister and the officials of the department to justify.

Hon. T. A. Crerar: Honourable senators, my honourable colleague from Ottawa West (Hon. Mr. Connolly) has stated the criticism I have of this bill perhaps much more effectively than I could do it. My objection is to the principle involved in the bill, and I simply state my agreement with the remarks he made, that the fact that these powers existed in some previous legislation, which the present bill is seeking to supplant, is no evidence that they are justified.

As a matter of fact, there has for many years been a tendency to delegate the powers of Parliament to boards and ministerial bodies. For the information of the house I may say that some three or four years ago a judge of one of the higher courts, speaking to me about this question, said it was extraordinary the powers that Parliament was delegating to bodies like the Fisheries Board and the Department of Agriculture to make what was really substantive law. That is the practice I am protesting against.

After all, our function is to see that the citizen is protected in all his rights. The mere fact that the extraordinary provisions in the penalty section of this bill should have appeared in previous legislation is not the slightest reason why we should perpetuate them by this legislation. I am rather surprised to hear my good Liberal friend from Westmorland—

Hon. Mr. Taylor (Westmorland): I have had a lot to do with the administration of this type of legislation.

Hon. Mr. Crerar: —attempt to justify it, if I understood him aright, on that ground.

Hon. Mr. Aseltine: Why not?

Hon. Mr. Crerar: However, this bill is going to committee, and I certainly think that these provisions to which exception has been taken should be very thoroughly inquired into there. It is not a light matter to have a man in court subject to a penalty of $500 and six months' imprisonment, or both, if convicted on what may possibly be spurious evidence.

Hon. Mr. Pearson: On the other hand, a farmers' whole herd of cattle might be destroyed because a man sold improper feed. Anyone who did that should be fined $500, and possibly more.

Hon. Mr. Crerar: That matter can and certainly should be considered by the committee. I repeat, because we have erred in the past is no justification for erring now.

Hon. Mr. Stambaugh: I would like to ask the honourable sponsor of the bill (Hon. Mr. Pearson) if he said that the Standing Committee on Banking and Commerce is the committee which is to consider this bill.

Hon. Mr. Pearson: No, the Standing Committee on Natural Resources.

Motion agreed to and bill read second time

REFERRED TO COMMITTEE

On motion of Hon. Mr. Pearson, bill referred to Standing Committee on Natural Resources.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the reports of the Standing Committee on Divorce, Nos. 331 to 340, which were presented on March 31.

On motion of Hon. Mr. Gershaw, for Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

IMMIGRATION

MOTION TO DIRECT COMMITTEE TO REVIEW DEPARTMENT'S ANNUAL REPORT—DEBATE CONTINUED

The Senate resumed from Tuesday, March 22, the adjourned debate on the motion of Hon. Mr. Wall:

That the Standing Committee on Immigration and Labour be authorized and directed to review the Annual Report of the Department of Citizenship and Immigration, excluding that portion of the Report which deals with the Indian Affairs Branch; and

That the said committee have power to send for persons, papers and records.

Hon. Cairine R. Wilson: Honourable senators, the honourable junior senator from Winnipeg (Hon. Mr. Wall) has paid a real tribute to the Standing Committee on Immigration and Labour. He said that he has read all its reports covering a period of years, and he appears to think that the committee fulfils a very useful function.

For those honourable senators who were not members of the Senate in 1931 I would like to refer briefly to the restrictions which were then placed on immigration into Canada by Order in Council. Up to that time practically anyone who wished to come to Canada, and who could give proof of a fairly honest background, etc., was admitted, but the Order in Council limited immigration to three classes, namely, *bona fide* agriculturists, first-degree relatives, persons with sufficient capital to start new industries, and a few others with special qualifications.

I must say that despite the Fascist and Nazi persecutions, very few people came to Canada. In 1938 the Canadian National Committee on Refugees was set up, and I became its chairman. The purpose of this committee was to bring about a greater understanding of the refugee problem, and to instil in Canadians a more sympathetic attitude toward reception of refugees. We had not thought then that we would be looking after actual cases, but the war brought about new problems, and in 1940 about 3,000 friendly aliens were brought out with the Nazi prisoners of war and those known to have Nazi sympathies. Although the British Government did its best to rectify its mistake, it was many years before the last of these refugees were released in Canada. Between 900 and 1,000 were released in the first instance because they qualified under our Immigration Act in having first-degree relatives in Canada, and then very gradually others were released because they might be useful in war industries, in censorship and other vocations. It is hard now to realize how exceedingly difficult it was for people to come into Canada.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) moved a comprehensive resolution in 1946 asking that the Standing Committee on Immigration and Labour look into the problems of immigration to Canada, and it was as a result of that resolution that the committee made its findings. The honourable junior senator from Winnipeg said that after reading the reports he found that the committee had been responsible for some very satisfactory amendments to the Immigration Act. We know that the public also acquired a much better understanding of the problem, because there was a great demand for the printed reports.

Perhaps the Senate and the country generally have suffered because that committee has not met since 1953. I was gratified, therefore, when it was proposed that the committee should look into the report of the Immigration Department for last year. I think we are all alarmed over reports in the press of deportations, and I know that many people are living with the threat of deportation hanging over their heads, which certainly cannot be a pleasant experience.

I know that we have profited much from immigration. Many immigrants have brought new skills and set up industries in Canada during the past twenty years. The Mayor of Prescott once said that despite unemployment in the surrounding towns, Prescott had none, thanks to Louis Fischl, the glove manufacturer, who was driven from his home after the Munich Agreement and set up his business in Prescott, where he continues to carry on a very satisfactory industry. British Columbia owes a great deal to the Koerners, who have been wonderful benefactors to the University of British Columbia and have prospered greatly from the use of the once despised Alaska pine, none other than our native hemlock. Saskatoon has welcomed the Mendells and the Polish ham packing industry, and Ontario, of course, has the Bata shoe industry.

I shall always remember a story told by Miss Kaufman, who brought a young Japanese woman with her to Canada. She said that while waiting for the boat at Victoria they drove out to the Butchart Gardens and this young woman said, "Don't these people live

far apart?" Miss Kaufman replied, "Oh, they have radios and telephones." The young woman then asked, "Don't they need to work the soil and don't they need these logs that are lying about?" Miss Kaufman said she blushed with shame as she recalled how every twig had to be treasured in Japan. Finally, the Japanese woman said, "You never told me that your country was so beautiful."

In a speech by the President of the Ford Company of Canada, delivered in February 1959, I found many arguments in favour of increased immigration. He said in part:

> Collectively, our immigrants did not come empty-handed. Not only did they bring their skills, but they brought an estimated $600 million into this country. A recent report showed that in the past nine years alone at least 2,500 commercial enterprises have been established by new Canadians, some of which are large industries employing many hundreds of people.
>
> By every standard, the immigrants are earning their place in our nation. They are contributing a full share to our development and progress. Any small investment Canada may have made in the acquisition of almost 3,000,000 new people is being repaid many times over.

We are all happy that in 1956 the barriers were let down and we welcomed with very little examination thousands of Hungarians. Recently, I think on March 22, the honourable senator from Fredericton (Hon. Mrs. Fergusson), the honourable senator from Murray Harbour (Hon. Mrs. Inman) and I attended a wonderful party given by the Hungarians in Ottawa in aid of World Refugee Year. We were entertained by a most charming and talented violinist and we saw fine specimens of handiwork and books, which I fear had been brought out before the days of the uprising. These people are now bending their efforts to help those who are still carrying out a dreary existence in those wretched camps in Europe. I feel exceedingly sorry for those people who were left behind and who saw others accepted without having to go through their own heart-breaking experience.

Our first-degree relative regulations sometimes bring out curious developments. My honourable leader (Hon. Mr. Macdonald) told me the other day about a young woman in Brantford who had applied to have her sister come to Canada. She was well prepared to look after her sister and had a position awaiting her. When my honourable leader inquired lately whether the sister was coming he was told, "No, she couldn't qualify." She explained that they were children of the same mother and brought up in the same home but were of different fathers. I was thankful to learn that after due consideration, but I expect considerable delay, the sister was passed for admission to Canada. I think sometimes we must appear very hard-hearted. One woman in a camp was asked, "Are you able to go?" She replied: "No, my husband is too old and my child too young. I will have to wait until one dies and the other grows up."

I have received several letters lately which are quite interesting. I would like to read this one which I received from Owen Sound:

> We the people are inclined to think we, as individuals, can do nothing to change a situation with which we do not agree. With this kind of thinking we never can. It must then be the thought patterns which should be changed.
>
> Why, when we have so much, do we give so little? Why with our plenty are we not more willing to lift the barriers which keep little children, sick folk, and the needy, out of our country and out of our lives?
>
> It doesn't add up to Christian thinking and we are convinced that Christ did not die that we might be a privileged people.
>
> This land flows with milk and honey. If we keep ourselves so well protected that there cannot be an out-pouring of our overflow, the human race could become as the dinosaurs—extinct. Why cannot we venture forth with the courage and faith of a Sir William Drake and live?

There are several other letters written in a like fashion.

Honourable senators, I am very pleased that there is a proposal to have our Standing Committee on Immigration and Labour study our Immigration Act. Perhaps in this way we might obtain some reasons for many of the problems by which we are now troubled.

The Progressive Conservative Convention, I notice, adopted the following resolution:

> Whereas a healthy and judicious immigration policy is necessary in order to provide a guaranteed market for Canada's vast natural resources and to reduce our vulnerability in the export market; whereas there are still thousands of refugees desirable as citizens who are not admissible to Canada under current Immigration Regulations; whereas this convention notes with satisfaction the efforts at the United Nations of Canada's Minister of External Affairs on behalf of refugees; that this National Convention of the Progressive Conservative Party recommend to the Government that the Immigration Regulations be amended; to enlarge the categories of admissible immigrants; to re-define the term "refugee" so as to widen and extend the qualifications for admissibility under this category; consider and if deemed advisable increase and extend the existing facilities and personnel for the processing of immigrants in foreign countries.

Honourable senators, I welcome any suggestion that we examine our immigration policy more carefully.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, April 5, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following document:

Report of the Restrictive Trade Practices Commission concerning the manufacture, distribution and sale of specialty bags and related products, pursuant to sections 18 and 19 of the Combines Investigation Act, Chapter 314, R.S. 1952. (English text).

DIVORCE

BILLS—FIRST READINGS

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-317, for the relief of Franciszek (Frank) Wyspianski.

Bill SD-318, for the relief of Mary (Moira) Steel Taylor Maddison-Roberts.

Bill SD-319, for the relief of Marie Evelyn Lindsay Slade.

Bill SD-320, for the relief of Elsa Faiga Manace Grossman.

Bill SD-321, for the relief of Joseph Armand Dube.

Bill SD-322, for the relief of Margaret Elizabeth Perkins Petrachuk.

Bill SD-323, for the relief of Istvan Horvath.

Bill SD-324, for the relief of Kathleen Margaret Manchios Kotsos.

Bill SD-325, for the relief of Peter Zeppetini.

Bill SD-326, for the relief of Jean Louis Beaudet.

Bills read the first time.

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

Hon. Mr. Gershaw moved, with leave, that the bills be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

REPORT OF SECOND 1959 MEETING

Hon. Wishart McL. Robertson inquired of the Government, pursuant to notice:

1. When will the Canada-United States Interparliamentary Group report of the second 1959 meeting be tabled?
2. Will this report be accompanied by a financial report of the 1959 activities of the Canada-United States Interparliamentary Group?
3. Will the Senate be asked to concur in the basic rules of the Canada-United States Interparliamentary Group as far as they apply to the Senate, before the Easter adjournment?

Hon. W. M. Aseltine: Honourable senators, the answer to the honourable gentleman's inquiry is as follows:

1. A report of the second 1959 meeting is in draft form and it is anticipated that this report will be ready for tabling in the immediate future.
2. No.
3. No.

CONSTRUCTION

BUILDING PERMITS

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, I wish to make reference to the answer which was given to my inquiry as appears at page 489 of yesterday's *Hansard.* I asked for the total number of building permits issued in Canada each year since 1945 for new residential constructions and for non-residential constructions. The answer is not complete. I am not blaming the honourable leader (Hon. Mr. Aseltine) for the answer. I know it is not his fault, but the fault of the department. I was asking for the number of housing or dwelling units, and what I got was the amounts of money spent on housing, which is an altogether different matter.

Hon. Mr. Aseltine: I understood the honourable senator to ask for the number of permits. That information is not available, for there is no record.

Hon. Mr. Pouliot: The inquiry is partly answered, but I wanted to have the figures for ten years separately. That information is in the *Canada Year Book* for 1959, at page 694, under Tabulation No. 15: "Number of Dwelling Units covered by Building Permits, by Province, (5 years) 1953 inclusive to 1957 inclusive". If the department did not have that information for a year or two the only thing for it to do was to give me the information for the years for which it did have it.

I now wonder if it is necessary to ask my question anew. All I want to know is the number of dwelling units or housing units that have been built during the last ten years. I am not interested at all in the cost of these units; I want to know the number. I wonder if the honourable Leader of the Government (Hon. Mr. Aseltine) will convey my representation to whom it may concern.

AUSTRALIAN TRADE AGREEMENT BILL

SECOND READING

Hon. John G. Higgins moved the second reading of Bill S-28, respecting a certain trade agreement between Canada and Australia.

He said: Honourable senators, the purpose of this bill is to implement a new agreement for reciprocal trade with the Commonwealth of Australia. Canada's existing trade agreement with Australia dates from the year 1931. Under it there has been a substantial increase in the trade between the two countries in both directions. However, during the past 28 years there have been important changes in the composition of our trade with Australia and in the tariffs of both countries. It was, therefore, deemed necessary to bring the 1931 trade agreement up to date and adapt it to new trading conditions.

The Governments of Canada and Australia announced their decision to review the 1931 agreement at the Commonwealth Trade and Economic Conference held in Montreal in September 1958. This review took place in Canberra in March and April, 1959. The resulting new agreement was signed February 12, 1960, in Canberra, and will come into effect when ratified by the two Governments.

It is essential to repeal the act of 1931, and this is done by section 5 of the bill before us. Moreover, the new agreement affects some provisions in other acts pertaining to tariffs, and it is essential to deal with this situation, as is done in section 4 of the bill, which states:

> In the event of any inconsistency between the provisions of this act, or the agreement, and the operation of any other law, the provisions of this act and the agreement shall prevail to the extent of the inconsistency.

From the point of view of Canadian exporters the new agreement contains a number of improvements over that negotiated in the year 1931. Increased safeguards and improved access are provided for a considerable number of Canadian goods in the Australian market. Under the 1931 agreement Australia undertook to maintain margins of preference on a limited number of Canadian products and for most other items to accord Canada British Preferential treatment. There were no bindings or commitments of the actual rates of duty on Canadian goods.

The new agreement provides for a number of additional guaranteed margins of preference and also for the maintenance of free entry or existing low rates of duty on a number of important Canadian products. These include canned salmon, canned sardines, sausage casings, knitting machine needles, office machinery, some chemicals, papermakers' felts, and asbestos.

Minimum margins of preference will be bound on most products of interest to Canada. That is, Canada will be assured a lower rate than the most-favoured foreign country. These include, in addition to all items on which the actual rates of duty have been assured against increase: newsprint, paper board, certain fine papers, most types of lumber, motor vehicles, aluminum and stainless steel.

In the old agreement margins of preference were only given on a few of these items. In the case of motor vehicles and parts, the new agreement confirms that the full preferential tariff treatment now accorded to Canada will be continued. Under the 1931 agreement Australia was not required to grant Canada the same tariff treatment as the United Kingdom on motor vehicles and parts.

A further improvement is effected by a new provision relating to the operation of Australia's so-called by-laws. I refer to Article VII, page 4, of the agreement. Under these by-laws the Australian authorities may by administrative action suspend the normal duties on materials and equipment not manufactured domestically. This also, of course, automatically suspends any preferences. Under the previous agreement Australia was not obliged to consult with Canada about cases where margins of preference accorded to Canada were removed through by-law action. The new agreement provides that where preferences are eliminated through by-law action Australia will afford Canada an opportunity to enter into consultations, and will take into account any representations which the Canadian Government may make.

The new agreement also provides for continuation of the concessions accorded to Canada in the 1931 agreement regarding the determination of value for duty, and I refer to Article V. The Australian customs law requires that inland freight charges from the point of shipment to the point of export must be included in the value for duty. On shipments from Canada, however, duty is payable only on the freight charges which would be incurred if goods were shipped through the nearest point of exit, even if they are not actually shipped through that point. This is an important advantage for Canadian firms located close to the Great Lakes or the Canada-United States border but relatively far from Canadian seaports. For instance, if a motor car is ordered from St. Catharines to be sent to Australia it may be sent from St. Catharines to Vancouver, but the freight there would not be taken into

account. The applicable freight would be that to the nearest port from St. Catharines, which is probably Welland.

With respect to Canadian tariffs, the new agreement provides for continuation without substantial change of most of the concessions which were accorded to Australia by the 1931 agreement and by a supplementary Order in Council which became effective on October 1, 1937. It binds in Australia's favour certain reductions dating from 1937 which previously were not bound. It also assures free entry of a few other Australian products not covered by the 1931 agreement, notably raw wool, cleaned sausage casings and raw sheep skins. These three items are already bound free to a third country under the General Agreement on Tariffs and Trade.

The new agreement also assures Australia of a continuation of British Preferential tariff treatment by Canada on all items not specifically listed, and of the existing margins of preference on a number of products of particular interest to Australia. However, in the case of dairy products the specific commitments of rates and margins of preference accorded in the 1931 agreement are to be withdrawn. Under the new agreement Canada is committed only to accord Australian dairy products whatever British Preferential rates of duty may be in effect, or any lower rates accorded to a third country.

I do not know if honourable senators understand exactly what is meant by "margins of preference", but when the matter is referred to committee all such information will be made available. I would refer honourable senators to Schedule B, at page 12 of the bill. Under the heading "Rate of Duty or Tariff Treatment" we find that the margin of preference for the British Preferential Tariff is 7½ per cent. That is what Canada gets under the British preference. The most-favoured foreign country must be charged at least 7½ per cent more duty than countries under the British Preferential Tariff. That is the margin of preference.

Hon. Mr. Euler: Does the honourable senator say that Canada is to get a preference of 7½ per cent over and above the British Preferential Tariff?

Hon. Mr. Higgins: No. Canada pays only the British Preferential Duty, if any, and any country outside the British Commonwealth must pay at least 7½ per cent more. In other words, if the duty under the British Preferential Tariff is 10 per cent, any favoured foreign country must pay 17½ per cent duty.

There have also been some changes relating to the application by Canada and Australia of anti-dumping duties to one another's goods. The 1931 agreement provided that neither country would be subject to the anti-dumping legislation of the other. However, either country could, after three months' notice, apply its General Tariff in cases where material injury was being done its producers. In the new agreement Canada or Australia may apply anti-dumping duties to one another's goods after consultation and if remedial action is not taken within sixty days. However, except in these circumstances, the two countries would exempt each other from the application of their anti-dumping legislation. The new agreement also contains provisions for consultation between Canada and Australia on matters arising out of the agreement or on other problems of mutual interest. Special procedures are laid down for cases where either country wishes to withdraw concessions. All these are new features of the revised trade agreement. I would refer honourable senators to Article III.

The new agreement should provide a much more satisfactory framework for expanding and diversifying our trade with Australia. Australia is our third largest commonwealth market and seventh largest market in the world. In 1959 our total exports to Australia amounted to $54 million. The leading items which Australia purchases from us are newsprint, woodpulp, lumber, canned salmon and sardines, motor vehicles, aluminum, asbestos, and steel. Canada's imports from Australia in 1959 totalled $41.2 million and consisted mainly of agricultural products such as sugar, dried fruits and wool. Not included in this amount is the large quantity of Australian wool Canada imports from England, to which country Australian wool is sent in order to be processed.

The removal in recent months of most of Australia's import restrictions on Canadian goods in line with decisions reached at the Montreal Conference will open up many new opportunities for Canadian exporters in the Australian market. This is particularly the case with regard to manufactured items which until recently have been severely restricted for balance of payment purposes on account of the dollar exchange. The concessions and safeguards exchanged between Australia and Canada under the new agreement should provide a stable and secure basis for the continued development and expansion of our trade with this sister nation of the commonwealth.

Hon. W. D. Euler: Honourable senators, as you are aware, on the second reading of a bill we are supposed to discuss the principle involved. Unfortunately this bill came to my notice only this morning, so I have not had

an opportunity to examine it closely. Therefore I am not really in a position to debate the bill. I do not know whether there is any change in principle. I do recall that, as the honourable senator from St. John's East (Hon. Mr. Higgins) has said, an agreement was made with Australia in 1931. It was modified from time to time. I believe that in 1938 or 1939, when I was in the Department of Trade and Commerce and had something to do with matters of this kind, the Australians insisted that someone from Canada should go to Australia to negotiate a new agreement. At that time the agreement—I think I am correct in this—was that in regard to practically all our exports to Australia we should have the British preference. I went to Australia myself at the time and at the first interview I had with the Minister of Trade Agreements —they had such a minister—he suggested that the whole British preference be set aside and that we should negotiate the various items on which they would give us the British preference. That did not suit us at all and our negotiations came to a standstill. We made no progress whatsoever, but I might say that prior to my departure from Australia the Prime Minister intervened and assured me that before I reached home he would give us the benefit of the British preference, which was almost exactly what we had before. That was done and the agreement was renewed at that time.

This is a new agreement and, as I say, I have not had a chance to study it. I do not know whether any consequential changes have been made. At one time we enjoyed a wide trade advantage with Australia, our exports being three or four times greater than our imports. I am not aware whether that proportion applies now, although I believe we still enjoy a considerable advantage in this respect.

The individual items in the agreement can be discussed thoroughly in committee, but I am wondering whether article VII does not interfere with the principle of the existing agreement. I am speaking now almost entirely from memory, which perhaps is not as good as it ought to be, but I thought that agreement assured to us, as long as it was in force, the benefit of the British preference. Paragraph 2 of article VII of the new agreement reads:

> Where the admission of goods under by-law has the effect of eliminating a minimum margin of preference accorded to Canada on goods specified in Part I of Schedule B, the Australian Government will afford the Canadian Government opportunity to consult and will take into account any representations which that Government may make. This undertaking shall not limit the right of the Australian Government to determine whether any particular goods shall be admitted under by-law.

I gather from this that, despite any agreement we may have with Australia now according to us the British preference, the Australian Government maintains the right to terminate or change any part of the agreement. If that is actually the case, I think that is, to a large extent, a change in the principle of the existing agreement.

Honourable senators, I am not prepared to discuss this agreement any further, because I have not sufficient information on it. I shall have to wait for that until the bill goes to committee.

Hon. Mr. Burchill: Honourable senators, for my information, may I ask the sponsor of the bill (Hon. Mr. Higgins) a question? Article VI, clause 1, says:

> Australian goods imported into Canada shall not be subject to the provisions of section 6 of the Customs Tariff of Canada.

What is section 6 of the Customs Tariff of Canada?

Hon. Mr. Higgins: The anti-dumping clause.

Hon. W. Ross Macdonald: Honourable senators, I desire to make a few comments on this bill. First of all, I wish to thank the honourable senator from St. John's East (Hon. Mr. Higgins) for the very careful explanation he has given of this bill. I must admit I was not able to follow all the details which he put on *Hansard*, but I will read them, so that when the agreement is before the committee I shall be more familiar with some of its intricacies.

I am sure that all of us were pleased to hear the comments of the honourable senator from Waterloo (Hon. Mr. Euler), who for many years performed yeoman service for Canada as Minister of Trade and Commerce.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Macdonald: This house is indeed fortunate in having him here at the present time. In committee he will no doubt be able to bring out many points which will clarify this agreement for us.

Personally, I am very glad to take this opportunity to discuss for a few minutes matters of mutual concern between these two sister nations of the commonwealth. Any agreement which has the effect of promoting and creating better trade relations between nations, I am sure all will agree, is a most desirable document.

The honourable senator from Waterloo referred to a conversation he had with the Right Honourable R. G. Menzies. May I also quote a brief statement that Mr. Menzies is reported to have made a short time ago with reference to Canada and Australia:

> It would do us both a great deal of good if Canadians take a part in our expansion.

Hon. Mr. Euler: Excuse me a moment. The Prime Minister of Australia at the time I referred to was not Mr. Menzies, but Mr. Lyons.

Hon. Mr. Macdonald: The Right Honourable Mr. Menzies has served as Australia's Prime Minister over so many years that I took it for granted he was Prime Minister at that time. Similarly, I still think of the Prime Minister of Canada as the Right Honourable W. L. Mackenzie King.

Honourable senators, many comparisons can be made between our two great countries. Each is huge in area and is sparsely populated over a great portion of its territory. Each is engaged in an endeavour to build up industry and to provide the services which are necessary for the support of the industry and the population it engenders in terms of transportation, power, and the like. Equally, each is directly and indirectly concerned with the problem of trade expansion. Both are, in a sense, what I might describe as pioneering countries.

As has already been said, 54 years or more have passed since trade discussions were first initiated between Canada and Australia. Since that time there have been frequent discussions regarding trade, and from what has been said by the honourable senator from Waterloo I think we can assume that these discussions have always been carried out in an atmosphere of friendship.

Under article I of this trade agreement the Government of Canada grants to various Australian agricultural products rates of duty on a preferential basis. Under article II the Government of Australia grants preferential rates to a number of finished products, such as timber and paper, produced in Canada. So far as I know, there has been no major disagreement between the two countries regarding tariffs. I may say also that the two trading partners are fortunate in that in many ways their natural resources are complementary one to the other. For instance, Australia supplies us with sugar; we supply her with canned fish—mostly canned salmon from the western coast, I believe. As I have mentioned, we are in the position to provide Australia with timber, while Australia sends us part of her vast output of wool.

Over the years there has been a healthy and steady growth of trade between Canada and Australia, as was stated by the honourable sponsor of the bill. This growth has been assisted by the trade agreements between the two countries, the last of which was entered into in 1931. Since that time we have witnessed a spectacular economic growth of both countries.

I am sure honourable senators would be interested to know the extent of the tremendous growth in the trade of both countries since 1867. In 1868, when the commodities were, of course, carried in sailing ships, the total trade between Australia and Canada amounted to $38,000. In 1958, 90 years later, the total trade was in excess of $86 million. The sponsor of the bill gave the export figures for 1959. He is more up-to-date in his information than I am. Our exports to Australia in 1958 amounted to $53 million in all. Honourable senators will be interested to know just what goods we exported. They consisted of canned salmon, synthetic textiles, lumber, pulp and newsprint, primary steel, synthetic rubber, basic chemicals, and various machine parts. There may have been some motor cars, but I have no information as to them. In the same year, 1958, our imports from Australia amounted to $33 million, and these, as the honourable senator from St. John's East has stated, are up in 1959. We imported sugar, frozen beef, frozen lamb, other agricultural commodities, and some tools.

It may be of interest to honourable senators to know that one of our Canadian companies, Massey-Ferguson Limited, has one of its largest branches in Australia. Its plant at Sunshine, which is close to Melbourne, covers an area of 2,800,000 square feet. This plant was established as long ago as 1906. I refer to this company because one of its largest operations is carried on in the city of Brantford. The branches in Canada that I know of are located at Toronto, Brantford and Waterloo. There are no doubt others, but these are the largest.

This bill will no doubt be considered in committee. I am rising at this time only to express my support of its general principle, leading as it does toward the freer flow, to the advantage of both countries, of commodities in which Australia and Canada are concerned. We are, as Prime Minister Menzies has said, "trading friends". We share many mutual desires; we are equally concerned with the establishment of settled international conditions leading to world peace. We have great areas to open and frontiers to conquer. Our systems of government are both founded on a common constitutional basis. In supporting the principle of this bill to implement the treaty of 1960, I welcome the opportunity to express my appreciation of any advance which can be made toward increasing the flow of trade between our two countries to the mutual advantage of each partner.

Hon. A. Neil McLean: Honourable senators, I have a few remarks to make concerning Bill S-28, an Act respecting a new trade

agreement between Canada and Australia. I have read the proposed agreement but have not had time to study it in detail. I have talked to some officials of the Department of Trade and Commerce, who inform me that the idea of the treaty is to further liberalize trade between Canada and our sister commonwealth nation, Australia.

I have been in close touch with Australian trade for many years and have had many visits from executives of importing companies of that country. The continent of Australia is developing very fast, both in population and industry, and anything that can further develop trade between ourselves and Australia cannot help but be very beneficial to both countries.

As was stated by the honourable senator who sponsored the bill (Hon. Mr. Higgins), in 1959 we exported to Australia $54,500,000 worth of goods and we imported $41,200,000. So trade between the two countries is in a very healthy position, although this country could bring the trade nearer balance if we imported more. We must remember that foreign trade is a two-way street: if we export we must import. Our exports are of course handicapped by the premium on our dollar. The Australian pound is tied to the British pound.

As the Leader of the Opposition (Hon. Mr. Macdonald) pointed out, the products that Australia manufactures are complementary to the products of this country.

Quite a number of years ago I played a part in helping Australia to get its wines into this country. The producers were very grateful for the help I was able to render, which was quite insignificant, and they showed their gratitude in many ways. Australia is an excellent country to trade with as, like Canada, it has very fine commercial laws. I thank the officials of the Departments of Trade and Commerce of both countries, acting under their ministers, for working out this valuable treaty, for I know it took a great deal of time and study.

A commentary on the British budget which appeared in this morning's Toronto *Globe and Mail* reads as follows:

> Britain is particularly concerned about trade with the commonwealth which has not been going too well. One of Britain's strongest selling points is stable prices for her goods, quite in contrast with the rising price of U.S. goods which we buy in ever-increasing amounts.

Well, if Britain is concerned with regard to intercommonwealth trade we should be far more concerned, for we are more dependent on international trade than England is. I think England depends on international trade to the extent of 16 or 17 per cent of its total trade, but in our case it is 30 per cent.

For the reasons I have stated, I fully support this legislation.

Hon. F. W. Gershaw: Honourable senators, in the region where I live there are great herds of sheep. There is a lot of work and risk in looking after them, and up to the present time it has not been a very profitable business. Of course, I am familiar with the fact that Australia's grazing season is much longer than ours, that its wool is much superior for some purposes, yet it is a fact that the sheep producers in this country feel that they are working under a very great handicap when they see such large quantities of wool and of lamb and mutton coming into this country. They have often suggested that if these products could be kept out at the season of the year when our lamb and mutton are ready to market they would be very greatly helped.

I may say, honourable senators, that I was a candidate in six elections and the sheep men always said that there would have to be a change of Government in order to keeep out Australian wool, mutton and lamb. I hope now that the Government has changed it won't be long before the sheep men will get some relief.

Hon. William M. Wall: Honourable senators, I want to make just one brief observation. We have been told that this particular agreement is going to provide for the liberalization of trade. I am a trusting kind of soul and I accept that in a general framework. However, quite frankly, I would like to be able to judge for myself whether the general trend which is illustrated in this schedule is up or down, but I have no way of making any comparisons with the existing rates. I am rising to suggest that the next time such a treaty is brought to this house some additional information should be given which would enable us to make rational judgments on the basis of comparisons not found in the bill.

Hon. Mr. Macdonald: Honourable senators, in my earlier remarks I said it was difficult to follow all that the honourable senator from St. John's East (Hon. Mr. Higgins) said about the proposed changes. Perhaps a schedule of the nature to which the honourable junior senator from Winnipeg (Hon. Mr. Wall) refers could be prepared for our assistance when the bill is considered in committee.

Hon. Mr. Brunt: Agreed.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Higgins, bill referred to Standing Committee on Canadian Trade Relations.

DIVORCE

SECOND READINGS

Hon. F. W. Gershaw, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved second reading of the following bills:

Bill SD-291, for the relief of Myrtle Gertrude Lily Molloy Heany.

Bill SD-292, for the relief of Kathleen Margaret Sinclair McKenna Roberts.

Bill SD-293, for the relief of Marion Toba Wolfe Cohen Shapiro.

Bill SD-294, for the relief of Marie Lucille Simone David Raymond.

Bill SD-295, for the relief of Otto James Kerr.

Bill SD-296, for the relief of James Justin Sims.

Bill SD-297, for the relief of Sylvia Overland Katz.

Bill SD-298, for the relief of Blanche Brigitte Paulette Gagne Joly.

Bill SD-299, for the relief of Carmel Duguay Mitchell.

Bill SD-300, for the relief of Catherine Maureen Kelly Mavor.

Bill SD-301, for the relief of Maria Ruland Reutter.

Bill SD-302, for the relief of Joseph Louis Victor Dupere.

Bill SD-303, for the relief of Rose Polivka De Bom.

Bill SD-304, for the relief of Vernis Clifton Christie.

Bill SD-305, for the relief of Thomas Edward Imbleau.

Bill SD-306, for the relief of Jean Guy Cardinal.

Bill SD-307, for the relief of Marie Mathilde Charlotte Boisjoli Dore.

Bill SD-308, for the relief of David Lloyd Tune.

Bill SD-309, for the relief of Sybil Fenster Shaicavitch.

Bill SD-310, for the relief of Lynda Marjorie Cowell Smith.

Bill SD-311, for the relief of Alois Zisser.

Bill SD-312, for the relief of Stanley Sepchuk.

Bill SD-313, for the relief of Nadine Tudor Labreche.

Bill SD-314, for the relief of Robert Gordon Stitt.

Bill SD-315, for the relief of Philippa Jane Hutchins Tanton.

Bill SD-316, for the relief of Julianna Barna Nadasdi.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Gershaw: Honourable senators, I move that these bills be placed on the Orders of the Day for third reading on May 3.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, April 6, 1960

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

Prayers.

PRIVATE BILL

ALLSTATE INSURANCE COMPANY OF CANADA —FIRST READING

Hon. William R. Brunt presented Bill S-29, to incorporate Allstate Insurance Company of Canada.

Bill read first time.

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

Hon. Mr. Brunt: I move that this bill be placed on the Orders of the Day for second reading on May 5 next.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, I have a fairly important announcement to make. It looks as though we may have a short sitting this afternoon, and when we rise every item of immediate importance on our Order Paper will have been dealt with. We shall then adjourn for the Easter recess.

As honourable senators know, the House of Commons is adjourning next Wednesday until April 25. I understand that after the recess the Federal-Provincial Tax-Sharing Arrangements Bill, which has already been given the first reading in that house, and the Trans-Canada Highway Bill will be proceeded with and may be ready for us toward the end of that week. If we were sitting we might be able to deal with it partially or wholly then. However, honourable senators, I am going to propose that the Senate adjourn for one week longer than the other house and that we resume our work on Tuesday, the 3rd day of May, at 3 o'clock in the afternoon.

In the circumstances I would like to have unanimous consent of the Senate to proceed more or less expeditiously with these two bills when we come back, without two days' notice of the motion for second reading. I assure honourable senators they will have plenty of time to debate the bills. I expect that the first week after the recess will be a very busy one, as I understand that at least four or five committees will be sitting. On Tuesday morning, May 3, the Committee on Natural Resources will meet to consider the Feeds Bill, to which we gave second reading on Monday evening.

I would like to know if I have unanimous consent to commence proceeding with the two bills I have mentioned when we reassemble on the 3rd of May.

Hon. W. Ross Macdonald: Honourable senators, we all appreciate the difficulties which the honourable Leader of the Government (Hon. Mr. Aseltine) has had in arranging the sittings of the Senate. As he has said, we shall complete this afternoon all the business on our Order Paper with which we can proceed at present, and we shall then be waiting for bills to come from the House of Commons. The honourable leader has concluded that certain business now before that house is likely to be completed and sent to us by May 3, but not before that date. I speak for myself, and I am sure for all honourable senators, in expressing to the Leader of the Government our concurrence in the arrangement he has suggested with respect to an adjournment, and I am sure he will receive the unanimous consent of the house to proceed on May 3 with the two bills he has mentioned.

Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: I thank the honourable Leader of the Opposition (Hon. Mr. Macdonald) for his remarks, and I take this opportunity of wishing each and every senator a very happy and pleasant Easter recess.

With leave of the Senate I now move, seconded by the Honourable Senator Brunt, that when the Senate adjourns today it stand adjourned until Tuesday, May 3, 1960, at 3 o'clock in the afternoon.

Motion agreed to.

CANADA'S CENTENNIAL

SUGGESTIONS FOR CELEBRATION—DEBATE CONTINUED

The Senate resumed from Wednesday, March 30, the adjourned debate introduced by Hon. Mr. Cameron, who called attention to Canada's Centennial Year 1967 and suggested "that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future".

Hon. Jean-François Pouliot: Honourable senators, the purpose of this discussion is praiseworthy. It is time for us to consider the eventuality of the centenary of Confederation, and I must congratulate the initiator

of this debate, the honourable senator from Banff (Hon. Mr. Cameron), for having brought this matter to the attention of the Senate. I am also very happy to congratulate the honourable senator from Medicine Hat (Hon. Mr. Gershaw) upon his most eloquent speech in which he spoke of the Fathers of Confederation and of the admirable work accomplished by the missionaries in the Prairie provinces and in the north. They were worthy successors of those who came more than three centuries ago to bring the benefits of civilization to this part of the world.

Let us be clear about it. It is not the centenary of our nationhood that we shall celebrate in 1967. Confederation took place 93 years ago, and in seven years we shall celebrate the centenary of the British North America Act of 1867. It is very important that there be no misunderstanding about that point.

What about our nationhood? What do we have? I remember reading that approximately fifty or sixty years ago—a long time after the British North America Act came into force—Sir Wilfrid Laurier, who was then Prime Minister of Canada, said: "Canada is a nation". Everybody listened to him and cheered him because he acknowledged the fact that Canada was then a nation. But it was not absolutely a nation, an independent nation, a sovereign nation; it was a nation, a group of men with common ideals living in a definite territory and hoping the best for the future. We were together, we were a nation. But Sir Wilfrid did not say that we were a sovereign nation. He could not have said that.

Then in 1931 the Statute of Westminster was passed, one of the thousands of statutes of Westminster. Twice in the parliamentary history of England there were certain statutes that bore the name of statutes of Westminster. In this case, in 1931, the dominions were given some kind of equality by the British Parliament with the United Kingdom. But then again we did not have full nationhood and we do not have it yet, for if we celebrate the centenary of the British North America Act we must consider the act as it is in force now. Although some sections must be considered as spent—to use the legal expression—they exist nevertheless. The reason why I say, in all honesty and in all humility, that Canada has not reached the full status of a sovereign nation, is that section 56 of the British North America Act reads as follows:

> Where the Governor General assents to a Bill in the Queen's Name, he shall by the first convenient Opportunity send an authentic Copy of the Act to one of Her Majesty's Principal Secretaries of State, and if the Queen in Council within Two Years after Receipt thereof by the Secretary of State thinks fit to disallow the Act, such Disallowance (with a Certificate of the Secretary of State of the Day on which the Act was received by him) being signified by the Governor General, by Speech or Message to each of the Houses of the Parliament or by Proclamation, shall annul the Act from and after the Day of such Signification.

Honourable senators, can we say that we are a sovereign nation when our legislation can be disallowed within a certain period by the Government of the United Kingdom? There is a contradiction. It seems to me that from now on—

Hon. Mr. Higgins: I wonder if I may ask the honourable senator a question. As I understand it, under the Statute of Westminster the Queen of England ceases to have any sovereignty over Canada or any of the Commonwealth nations. Her Majesty is now the Queen of Canada, as far as we are concerned, is she not? I understand that is the point.

Hon. Mr. Pouliot: I thank the honourable senator for his interruption, and I agree that Her Majesty the Queen is designated or described as the Queen of Canada at the present time. But section 56 of the British North America Act has not been changed since Confederation, as my honourable friend knows very well. The only difference now is that the statute book for each session is not, as formerly, sent to the British Government by the Clerk of the Parliaments, who is the Clerk of the Senate, but by the Secretary of State for External Affairs. The same procedure is followed, the only difference being that it is another gentleman than the Clerk of the Parliaments who sends our statute book to the Colonial Secretary in England. The fact that it is sent by Canada to the United Kingdom remains the same, and as long as that is done, whether Her Majesty the Queen is called the Queen of Great Britain, Ireland and her other possessions beyond the seas, or the Queen of the United Kingdom and of Canada, makes no difference at all. Our statute book is sent by one of our cabinet ministers to the British Government, and my honourable friend knows it very well.

Hon. Mr. Euler: I do not like to interrupt my honourable friend, but I am not quite sure about something he said. Does he say that under the British North America Act, as at present constituted, it is possible for the British Government—I am not speaking of Her Majesty the Queen—to veto legislation of the Canadian Parliament?

Hon. Mr. Pouliot: Surely. I am glad to answer the honourable gentleman, and I thank him for his interruption. I am open to

interruptions—nothing delights me more, because from discussion comes light. The imperial statute which is the Constitution of Canada contains provisions that have not been changed since 1867. Section 56 is one of them. We are here to discuss the matter. I am open-minded and can express my views, and others can express their views. It is only by discussion of a matter that all of us can come to a satisfactory conclusion.

Hon. Mr. Monette: May I put a question?

Hon. Mr. Pouliot: Just a minute, please, until I finish answering the honourable senato from Waterloo (Hon. Mr. Euler).

In this case we have the law as it was 93 years ago. In the meantime there was passed the Statute of Westminster, which was created with fanfare and drum beating. This section is in contradiction of all that has been said by all our statesmen concerning the independence of Canada, because we are tied by this provision to the old tradition. That is so much the case that our statute book is sent each year by Canada to Great Britain. If Canada had stopped sending the statute book to the British Parliament I would say, well, perhaps there is a hope that we have made progress. But, I repeat, the same procedure is followed, the only difference being that it is the Secretary of State for External Affairs, not the Clerk of the Parliaments, who sends the statutes. The main fact is still there. It is colonialism in full. I cannot deny it. The first thing we have to do is to amend the Constitution, not just to see about the retirement of judges, but to take it out of the British legislation. We must see that an address is sent by the Canadian Parliament to the British Parliament in order to change that provision in our Constitution. That is the first step toward determining that Canada has reached the status of a nation. I hope my honourable friend is satisfied with my explanation.

Hon. Mr. Euler: My honourable friend said that the statutes passed by the Canadian Parliament must be sent to some minister in Britain, but does it follow that the British Government can veto—probably "disallow" is the correct word—legislation passed by this Parliament? I think my honourable friend's answer was that it can.

Hon. Mr. Pouliot: I will answer you, perhaps not with clarity but with honesty, and you cannot ask for much more than that. The British Government has unquestionable right to disallow our legislation, according to the provisions of the Constitution, but it would not dare to do so—it would be afraid to do so. But it has the legal power to do that. That is my contention. I cannot say more than that.

Hon. Mr. Euler: That is enough.

Hon. Mr. Pouliot: It is my contention and the conviction that I expressed in editorials that I wrote for *La Presse* many years ago, when Mr. Lapointe was Minister of Justice, and I had the good fortune to discuss the matter with him. Now I try to be as sure as possible of my facts; but the matter is of great importance, and we have so many times beaten the drum for this thing that it is high time we faced the situation as it really is.

If my honourable colleague from Mille Isles (Hon. Mr. Monette) has a question to ask, I will be glad to hear it.

Hon. Mr. Monette: I am not for the moment trying to contradict the conclusion of the honourable senator from De la Durantaye (Hon. Mr. Pouliot), but in an edition of the British North America Acts, 1867 to 1951, published by the Queen's Printer, Ottawa, I notice that note 25, under section 56, states:

> The present constitutional position is that the power of disallowance can no longer be exercised in relation to dominion legislation.

And there is a reference to page 20 of the report of the Conference on the Operation of Dominion Legislation, etc.

Hon. Mr. Croll: Is there a reference to the year?

Hon. Mr. Monette: It would be 1930.

Hon. Mr. Croll: Before the statute of Westminster?

Hon. Mr. Monette: I am not vouching for the accuracy of this note, but merely calling attention to it. I may have a word to say, or I may not, after the honourable senator from De la Durantaye (Hon. Mr. Pouliot) has given his answer. I would ask the honourable senator if he has considered that position, or if he will do so and let us have his comments on it. I admit that the statement in the conference's report has not the authority of a regular amendment to section 56, nor of a decision of the highest court; nevertheless, I thought I should bring it to the attention of the honourable senator in view of the question he has raised, which I acknowledge to be a very important one.

Hon. Mr. Pouliot: I thank my honourable colleague for his remarks. I have considered the whole matter. The honourable senator will remember that every time there was an Imperial Conference the delegates who attended it were always beating the drums. True, they had gained more and more, but it was a very long process.

My contention is that all those who speak on constitutional matters should be honest in expressing their ideas and should not claim that we have more rights than we really

have. If we have reached the status of national sovereignty in our ties to the British Crown—the Queen of Canada, if you like—we should leave no stone unturned to prove that it is a fact and that there is nothing that could come in conflict with our contention. In the present case, to stop all discussion, the only way to proceed is to follow the usual practice and see to it that an address is sent by the Canadian Parliament to the Parliament at Westminster asking it to amend the British North America Act by repealing section 56. Then there will be no ambiguity.

Well, honourable senators, that being said, in the meantime there might be some element of doubt which would be humiliating for Canada, especially for all those who on the first day of July, on St. Jean Baptiste Day, on St. Patrick's Day, on St. George's Day and on St. Andrew's Day claim that Canada is a sovereign nation. Up to now the doubt, if there is any, is against us.

Hon. Mr. Vaillancourt: Will the honourable senator permit me to interrupt him? I understand the remark made by the honourable senator from Mille Isles (Hon. Mr. Monette) was to the effect that what he read was a comment only and did not change the law.

Hon. Mr. Pouliot: I thank you, sir, and I appreciate what you say. I do not know who wrote the note. It may have been written by some minor clerk. Anyway, it is there, and the Queen's Printer printed it. It is there without any signature. What counts is legislation passed by Parliament, sanctioned by the Queen, or orders in council sanctioned by the Governor General and published in the *Canada Gazette*—in so far as the orders in council are *intra vires*.

My second point is that if by civilization we mean central heating, plumbing gadgets and fixtures, electric stoves, refrigerators, etc., we have attained a higher civilization than any other country except the United States and are just about on the same level as the American people. If that is what civilization and progress mean I will leave it at that because I can suggest nothing more than what is on view at the present time in these matters.

I shall come in a moment to the suggestions that were made by my honourable friend from Banff (Hon. Mr. Cameron). First, I would suggest that we should not wait until 1967 for the celebration of the centenary of the British North America Act—calling it by its proper name. We must start right now, and what I have to suggest will not cost the country anything. My suggestion is that we revert to fundamentals. It is a very simple thing. I will not insist on culture, because what is meant by culture is very often superficiality. I mean that the education should be on a solid foundation, in the manner so well expressed by the honourable senator from L'Acadie (Hon. Mr. Savoie) not so long ago.

It is quite noticeable that immediately after the conquest, after the fall of Quebec and Montreal to the British army, when our forefathers had become British subjects, there was more patriotism than there is now, at a time when we claim we are a sovereign nation. One must remember the admirable parliamentary battles that were fought by our forefathers for responsible government. They were independent Canadian citizens, as we are called today, and they were British subjects. Canadians like Papineau, and Lafontaine, and English-speaking Canadians like Joseph Howe, Baldwin, and many others at various times, were British subjects, and they were prouder of Canada than we are. Canada was their only country, the country of their choice and their love. Now we have fallen so deeply into internationalism that we have become citizens of the world. It is so much the case that a clergyman from Toronto wrote to me suggesting that we should have two flags, namely, the British Union flag, to which I do not object, and the flag of the United Nations. Imagine the flag of the United Nations being the flag of Canada! That is the spirit of today. Those who travel to conferences in all parts of the world remind me of delegates of the railway unions who are sent abroad as champions of internationalism.

The difficulty with us now is that Canada is far from being a country with the good foundation in public affairs that it had in our forefathers' day. There is too much internationalism today.

We talk and hear a good deal about culture. What is being achieved by way of culture in our universities? It is the power to bring about the destruction of the world in the near future; they are busy trying to discover new methods of destruction. Well, if that is culture, I am not for it. Honourable senators, what is culture? To me culture is beauty and art; beauty in sculpture, in literature, in poetry, in painting. But what do we have now in these times of so-called culture? I notice that tonight in this city a titled gentleman is to give a lecture about the manufacture of horrors in Great Britain. This is an advertisement of it, if anyone is interested.

We talk about civilization too. I say our civilization is on the regress. How many people have I known in my long parliamentary career who have not had much education, but who were highly civilized

and perfect gentlemen! It is not necessary to have completed a secondary school education to be a civilized man. There are many men, and women too, who know how to read and write—and some who may not even know that—who are highly civilized, but they are not cultured. Therefore, civilization is much preferable to culture as it is understood and talked about these days.

My third point is to remind my honourable colleagues of the meaning of the word "philosophy". Philosophy is not at all the teaching of Will Durant, or the recitation of all the silly dreams of the psychologists like Freud and others. Philosophy is the love of wisdom; and for those who have had an active public life, those who have had to debate important national questions, the most important part of philosophy is logic and dialectics. That part of the great science of philosophy is not well taught in our institutions of learning. So much is that the case that the world gives the impression today of being upside down.

Honourable senators, having said that, I turn, in all deference, to the most eloquent speech made on Wednesday last by the honourable senator from Banff (Hon. Mr. Cameron). He spoke of the size of the country, which is very large, and of our population, which is relatively small, but which is much larger than it was in 1867. He spoke of Canada's being a middle power. He said:

> ...Canada wished nothing for herself except peace and prosperity, or to sacrifice her reputation for impartiality by being tied on the one hand, to the policies of the United States and, on the other, to the Atlantic involvements of NATO. Certainly she can't have it both ways.

And that is true, if the United States does not agree with NATO.

But, there is a third consideration, which has been overlooked. It is that Canada should be herself. A moment ago I mentioned the discrepancy which exists in our Constitution. There is more to it. The honourable senator mentioned the Canadian Citizenship Council. What is it? He knows very well that in this country we have three citizenships. Each one of us is a British subject; each one of us is a Canadian citizen; and each one of us, we are glad to learn, is a citizen of the commonwealth. Why was commonwealth citizenship created? It was because India, Pakistan and some other countries did not want British citizenship. Therefore, we have three nationalities. It is a great wealth. Last year when I asked a question about the number of Canadians who were British subjects and who were Canadian citizens and who were citizens of the commonwealth I could not get a satisfactory answer. That was for the very good reason that under the Canadian Citizenship Act one who is a Canadian citizen is also a British subject and, moreover, is also a citizen of the commonwealth. What can the Citizenship Council do about it? They meet and say we are Canadians, and some others say we are British subjects. I remember an old correspondent of the London *Times* who said: "I will never apply for a citizenship certificate in Canada." He did not need to apply for it. He was already a Canadian citizen according to the law.

When we think of it, we realize that we have a Citizenship Council which makes no progress. We are tied. The status of any inhabitant of Canada has not changed from the year of the conquest, 1760, to the present time. It is the same thing. If we are to have pride in our citizenship we should be Canadian citizens, and those who are British subjects should admit that they are Canadian citizens and should not be ashamed of that. I am sure that Her Majesty the Queen is proud of being the Queen of Canada, as she is proud of being the Queen of England.

But this is a matter which is difficult to discuss, on account of the latent and persistent prejudices that exist. Let all Canadians and all men and women in Canada now call themselves Canadians, and let us initiate legislation by virtue of which those who come here in the future years, whether from the British Isles or elsewhere, shall be entitled to all the rights that are bestowed on newcomers from any country, but shall not be able to exercise any public right unless they are nationalized Canadian citizens. That would be real citizenship, and that would be a justification for the Canadian Citizenship Council. Up to now it has had no reason for existing. What I am proposing is difficult. There may be many objections. Some people may complain about it, and be ashamed and embarrassed, but it seems to me to be generous to take as our fellow citizens all those who are in Canada at the present time, and pass legislation for those who will come here later.

People are surprised that we have no Canadian flag. We have a national anthem which has been played in many countries of the world outside of Canada, even outside the British Commonwealth, and behind the Iron Curtain, as a tribute to Canadian sportsmanship. I was deeply moved by broadcasts from the Antipodes when I heard *O Canada* played to celebrate the victories of our sportsmen and sportswomen who had gained success and victory outside of Canada. But what about the flag? The flag is the emblem of the country. As I said before the Flag Committee of both houses in 1946, I have no objection to the Union Jack with the crosses of St. George, St. Andrew and St. Patrick—a full-sized Union Jack—as the emblem of Canada, as an emblem of our country, to show that

we have made no progress, and that we are still the same colonials that our forefathers were years ago. But I strongly objected to the Red Ensign, and for very good reasons. I cannot understand how some people of English parentage have agreed to reduce the Union Jack to one-quarter of the flag. They have minimized it. I strongly object. I am sorry to say that my conclusion is that we have not reached a time when we can have our own flag. We must first have our nationality. Canadian citizens must be the only ones to exercise public rights in this country. It must be decreed by law, and then we shall be qualified to deserve a flag of our own. But what shall it be? I have made one. We see images in school books and alphabet books to give ideas to the children. In most books for children there are pictures to draw their attention and imagination to the text.

I have offered a proposal. It is a green maple leaf on a red background. The green maple leaf is the colour of the House of Commons. The red background is the colour of the Senate. The idea of the flag is a national emblem. The maple leaf is green and it should be green for the flag. When it is red or yellow it has fallen to the ground and is dead, but the green maple leaf is high above our differences of opinion. It is high enough to be seen and high enough to be respected. However, the colour is immaterial. One may choose the colour he likes, but the idea in the flag is to have a national emblem large enough to be well seen when it flies over public buildings and private houses. If we have a flag it will have the same effect as the national anthem. A national flag will rally all Canadians in this country and elsewhere. It will have its place in churches as well as in public squares, just as the Union Jack is seen in Westminster Abbey, the American flag in St. Patrick's Cathedral in New York and the French flag in Notre Dame de Paris. Why? Because the flag is a reminder of the country, provided that one has a country of his own and provided, in the case of Canada, that the Canadian citizen likes Canada more than any other country in the world. And, mark you, honourable colleagues, how often have I been given the cold shoulder in the House of Commons when I was called a nationalist and an isolationist because I was expressing my sincere and honest views, on behalf not of myself but of future generations? I am proud of my country, and I want the coming generations to be as proud of their country when they grow up.

Shall we have a flag in 1967? Shall we have a national anthem? Shall we have Canadian citizenship in full? The purchase of new flags would not cost any more than the purchase of current flags. It is a small item when we consider expenditures. And in all this the Senate could accomplish something wonderful. There has been a tendency to consider the Senate as a "country cousin". It is not always on a par with the House of Commons in the minds of some people. This is most unfortunate. I have great hopes for the future of the Senate. If according to the spirit of the Fathers of Confederation, the Senate is true to its destiny, it will survive by virtue of the law of the survival of the fittest, and I shall not be surprised if some day the Senate is rewarded for its accomplishments. Naturally, all of us will have to work hand in hand, as we did for the material improvement of this chamber. It was not done by one, it was done by all of us together, and it was impossible to please all in this room. We now have a new ventilation system. It was once impossible to read a document here. Now with better lighting we can read easily. It used to be impossible to hear each other. Now there is a great improvement in the acoustics, owing to the amplification system. We had a rug that was filled with holes, that was worn out, but the attention of the Senate was drawn to the fact that Her Majesty the Queen was coming and a new rug was purchased. The walls were dirty, and they have been cleaned. Hung on the walls were the horrible pictures. The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) suggested that we should have galleries on both sides of the Senate in accordance with the plans that were made years ago but which have never been put into effect. What he said was full of sense. Now people who do us the honour of coming and listening to our speeches see that the Senate chamber is clean, in good order and attractive. The improvement was brought about by common effort, and I am glad to praise the honourable senators who were responsible for it.

Hon. Mr. Aseltine: I do not think the improvement in the Senate chamber is a live topic today. Would the honourable senator tell us whether he is in favour of having a centenary celebration in 1967 or not? And if he is, would he give us his ideas as to what we should do?

Hon. Mr. Pouliot: I thank the honourable gentleman, whom I like very much, for his interruption. Let me answer him in all candour. The honourable senator from Banff suggested building construction that would cost an enormous sum of money, and he was not called to order, because what he said was within his notice. I am surprised that the honourable leader wonders whether I am in order when I make a small suggestion

on our behalf, since so many suggestions have been made on behalf of others. But I am sure he will not insist upon it.

I will not take one by one the suggestions of the honourable senator from Banff and others; but let us be reasonable and let us not try to create a new organization for the national centenary, because it would be another Crown corporation.

And we must be very careful about education. Education is under the jurisdiction of the provinces, because the provinces are closer to the fathers and mothers of Canadian families—and we know that parents have the right to decide about the education of their children. That is an unquestionable right. If jurisdiction over education were at Ottawa it would be too far away to be practical.

Hon. Mr. Cameron: Will the honourable gentleman permit a question? Is it not true that I was careful to emphasize that elementary and secondary education should continue to remain the responsibility of the provinces?

Hon. Mr. Pouliot: Well, to a certain extent. Probably my friend may have said that, but it is not enough. There will be no restriction on parental authority with regard to education until the students reach their majority. Then they can make their own choices, but in the meantime they are under the authority of their parents. What has been mentioned with regard to education in the British North America Act was well thought out by the Fathers of Confederation. I would suggest that my honourable friends read the masterly speech made very recently in the House of Commons by Mr. Noel Dorion, the member for Bellechasse; it is more enlightening than any remarks that I may make on the subject.

I hope my honourable colleagues have understood my point of view; it is the point of view of honesty, though they may or may not agree with me.

Before concluding, may I do something I have never done before, namely, read a newspaper article. This is an editorial which appeared not long ago in one of the best Canadian dailies, the *Chronicle Herald*, of Halifax, under the heading "A Father Figure":

In the current issue of *The Dalhousie Review*, retired Nova Scotia engineer and industrialist T. G. Mackenzie presents a convincing case concerning a necessary but long-ignored ingredient for this country's nation-building effort.

What we need, says Mr. Mackenzie, is the development in the mass public mind of the image of some one man as "The Father of Canada", some one who can match the United States' George Washington, Venezuela's Simon Bolivar, France's Joan of Arc, Scotland's Bruce and Wallace, and so on.

"It is precisely because Canada is a mosaic, a nation peacefully blending many peoples of diverse ethnic origins," he submits, "that we need to emphasize and iterate in our historical background some common rallying point, some symbol of unifying influence, which is distinctively and exclusively Canadian."

How true! The people of this country have been talking for years about creating a truly Canadian entity, the promotion of a Canadian culture, the designing of a distinctive national flag and the writing of a fitting national anthem, and hopelessly wandering in all of these fields. And the main reason, we are coming to believe more and more, is that we have failed to put first things first. We have neglected those factors that fire the human emotions and stir the human pride which in turn would produce the other earmarks of a nationhood of our own. And chief among these basic requirements is that for which Mr. Mackenzie pleads.

That is why Canadian youth knows all about Wyatt Earp, Jim Bowie, and other heroes of the early American West, real and unreal, whom television has resurrected, but are completely stumped when asked about a man named Mackenzie King.

I was astounded to hear on a recent television broadcast that when some young students in Toronto were asked by a C.B.C. interviewer who Mackenzie King was none were able to say.

Hon. Mr. Isnor: Where was that?

Hon. Mr. Pouliot: In Toronto. They were ignorant of Mackenzie King.

Hon. Mr. Croll: It could not possibly be.

Hon. Mr. Pouliot: My honourable friend from Toronto-Spadina (Hon. Mr. Croll) of course is excluded.

I continue reading:

We have failed to heed the advice that one of our own Nova Scotia heroes, Joseph Howe, left with us:

"A wise nation ... decorates the tombs of its illustrious dead ... and fosters national pride and love of country by perpetual reference to their sacrifices and glories of the past."

There have been some efforts in this direction; but so often they have been half-hearted and, to apply modern slang, half-baked. Witness the C.B.C. series on Radisson, and the current TV series that was supposed to stir us to a new pride in the Royal Canadian Mounted Police.

Mr. Mackenzie, after going through a long list of giants in the political, exploration and other fields of our history, offers in nomination as "The Father of Canada" Samuel de Champlain. It is a good one. It was he who helped to establish at Port Royal the first permanent white settlement on this continent north of Florida, who founded Quebec, who was responsible for the beginnings of the famed band of *coureurs de bois* who made possible the westward exploration of what is now Canada, who spent thirty years living in this country, planning, promoting and building for its future, and finally dying here in the midst of this endeavor. He was in effect Canada's first permanent white citizen.

And then there are others who are worthy of consideration, men who, although coming later than Champlain, also left sharp imprints on the pages of history. Leaders like Sir John A. Macdonald, father among the Fathers of Confederation, and Alexander Mackenzie, the first to cross this country from sea to sea by land. Any of these, or certain others, could be accepted with special

pride and reverence by all Canadians. Why not then a definite national movement to build one into "The Father" of this land, one around whom we in this multi-racial country can weave the pattern of Canadianism so vitally needed? It is something to strive for as we approach our 100th anniversary.

And now, honourable senators, to conclude: If the Senate is true to its mission and fulfils its destiny, before 1967 it will be awarded the Nobel Prize.

Hon. John G. Higgins: Honourable senators, I pay due respect and make obeisance to the erudition of my very learned friend the honourable senator from Rivière du Loup. I am aware that Rivière du Loup is not his proper designation, but as I am not sure of the correct pronunciation of his designation. I hope the name of his city, which I have used, will be accepted.

In my opinion, honourable senators, the British North America Act must now be read in the light of the Statute of Westminister of 1931. The British North America Act exists now, I humbly submit, only as a charter to define the rights of Canada and of the provinces. That is why the Statute of Westminster sets out that the British North America Act cannot be changed or amended. Section 7 (1) of that statute enacts:

> Nothing in this act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts, 1867 to 1930, or any order, rule or regulation made thereunder.

I presume this was done with the consent of the Canadian statesmen present at the imperial conference in order to bring forth the Statute of Westminster.

I presume there is nothing to stop the ten provinces, together with the federal authority from saying that they want the whole of the British North America Act wiped out, and there is no doubt that if they expressed this wish in suitable form it would be complied with. The British North America Act has been amended many times with the consent of all the parties concerned. But unless that is done, the British North America Act will exist for the sole purpose of regulating the relationship between the federal authorities and each of the provinces.

Section 7 (2) of the Statute of Westminster states:

> The provisions of section 2 of this act shall extend to laws made by any of the provinces of Canada and to the powers of the Legislatures of such provinces.

And section 2 (1):

> The Colonial Laws Validity Act, 1865, shall not apply to any law made after the commencement of this act by the Parliament of a dominion.

For more than forty years, I have not seen that particular act which gives the British Parliament the right to declare any act of a colony void and to set it aside. But that has no relation to Canada now.

Section 2 (2) of the Statute of Westminster provides:

> No law and no provision of any law made after the commencement of this act by the Parliament of a dominion shall be void or inoperative on the ground that it is repugnant to the law of England, or to the provisions of any existing or future Act of Parliament of the United Kingdom, or to any order, rule or regulation made under any such act, and the powers of the Parliament of a dominion shall include the power to repeal or amend any such act, order, rule or regulation in so far as the same is part of the law of the dominion.

Hon. Mr. Macdonald: But those words do not apply to the British North America Act.

Hon. Mr. Aseltine: Yes, they do.

Hon. Mr. Macdonald: My friend has read from section 7 of the Statute of Westminster, but I submit those words do not apply to the British North America Act.

Hon. Mr. Higgins: I say that the British North America Act has specifically been taken out of the statute. One must presume that, because the British North America Act is the only regulatory act between the Parliament of Canada and the legislatures of the various provinces. In my humble submission, the B.N.A. Act is purely regulatory.

Hon. Mr. Macdonald: Let me read subsection 1 of section 7 of the Statute of Westminster:

> Nothing in this act shall be deemed to apply to the repeal, amendment or alteration of the British North America Acts, 1867 to 1930, or any order, rule or regulation made thereunder.

What troubles me is that the British North America Act remains in effect and cannot be subject in any way to the wording of the Statute of Westminster.

Hon. Mr. Higgins: But it must be remembered that at the time the British North America Act was passed, the Queen was then the Queen of England. She is now the Queen of Canada. That is the effect of what I say.

Hon. Mr. Macdonald: For practical purposes, what the honourable gentleman has said may be correct.

Hon. Mr. Higgins: There is nothing to stop the federal authority and the ten provinces from getting together and deciding to annul the British North America Act. As a matter of fact, I say the B.N.A. Act is a nullity now, because if Canada wants to change the act it has only to ask, and consent will be given immediately. That act exists only as a charter for the regulation of matters between the federal authorities and the provinces.

Hon. Mr. Pouliot: May I ask a question of my honourable and learned friend? If I as a senator of Canada sponsor a motion for the repeal of section 56 of the British North America Act, will my honourable friend support the motion or oppose it?

Hon. Mr. Higgins: I thank the honourable learned senator for calling me "learned", but so far as section 56 is concerned I am in a lamentable state of ignorance. Do tell me, what is section 56? I have not read the B.N.A. Act for ages, so I do not know.

Hon. Mr. Pouliot: With all deference, I would suggest to the honourable gentleman that he adjourn the debate at this time. We shall talk the matter over, and he may be the first to resume the debate when this house convenes again. In the meantime I will show him section 56, and we can discuss it and come to some amicable arrangement.

Hon. Mr. Croll: You hope so.

Hon. Mr. Aseltine: Adjourned *sine die.*

Hon. Mr. Higgins: I quite agree with the suggestion that I adjourn the debate. It will at least give me an opportunity to find out what section 56 is.

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

DIVORCE

BILLS—SECOND READINGS

Hon. David A. Croll, for Hon. Mr. Roebuck, Chairman of the Standing Committee on Divorce, moved the second readings of the following bills:

Bill SD-317, for the relief of Franciszek (Frank) Wyspianski.

Bill SD-318, for the relief of Mary (Moira) Steel Taylor Maddison-Roberts.

Bill SD-319, for the relief of Marie Evelyn Lindsay Slade.

Bill SD-320, for the relief of Elsa Faiga Manace Grossman.

Bill SD-321, for the relief of Joseph Armand Dube.

Bill SD-322, for the relief of Margaret Elizabeth Perkins Petrachuk.

Bill SD-323, for the relief of Istvan Horvath.

Bill SD-324, for the relief of Kathleen Margaret Manchios Kotsos.

Bill SD-325, for the relief of Peter Zeppetini.

Bill SD-326, for the relief of Jean Louis Beaudet.

Motion agreed to, and bills read second time, on division.

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

Hon. Mr. Croll: I move that they be placed on the Orders of the Day for third reading on May 3.

Motion agreed to.

The Senate adjourned until Tuesday, May 3, at 3 p.m.

THE SENATE

Tuesday, May 3, 1960

The Senate met at 3 p.m., Hon. Lionel Choquette, Acting Speaker, in the Chair.

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine: Honourable senators, I table the following reports and other documents:

Supplementary estimates for the fiscal year ending March 31, 1961.

Report on operations under the Bretton Woods Agreements Act during the fiscal year 1959-60, pursuant to section 7 of the said act, being Chapter 19, R.S. 1952. (English text).

Report intituled: "A Remodelled Economic Organization", prepared by the Group of Four, established by the Resolution of the 14th January, 1960, of the Twenty Governments and the Commission of the European Economic Community, dated April 1960. (English and French texts).

The Canada Gazette, Part II, Statutory Orders and Regulations 1960, Wednesday, April 13, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report of The St. Lawrence Seaway Authority for the year ended December 31, 1959, pursuant to section 85(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Report of the Department of Fisheries for the year ended March 31, 1959, pursuant to section 8 of the Department of Fisheries Act, being Chapter 69, R.S. 1952. (English text).

Report of the number and amount of loans to Indians made under the provisions of section 69(1) of the Indian Act, during the fiscal year ended March 31, 1960, pursuant to section 69(6) of the said act, being Chapter 149, R.S. 1952. (English text).

Report on the Quinquennial Actuarial Valuation of the Royal Canadian Mounted Police (Dependants) Pension Fund as at March 31, 1959, under Part IV of the Royal Canadian Mounted Police Act, pursuant to section 89(3) of the said act, being Chapter 241, R.S. 1952. (English text).

Report on the administration of the Members of Parliament Retiring Allowances Act for the year ended March 31, 1960, pursuant to section 18 of the said act, being Chapter 329, R.S. 1952. (English and French texts).

Report of the Commissioner of Penitentiaries for the year ended March 31, 1959, pursuant to section 14 of the Penitentiary Act, being Chapter 206, R.S. 1952. (French text).

Report on operations of Part II of the Export Credits Insurance Act for the year ended March 31, 1960, pursuant to section 27 of the said act, being Chapter 105, R.S. 1952. (English text).

Copy of the Eighth Annual Report, dated November 1959, of the Consultative Committee of the Colombo Plan for Co-operative Economic Development in South and South East Asia. (English text).

Copy of an exchange of notes dated April 25, 1960, constituting an Agreement between the Government of Canada and the Government of Norway, concerning Canadian wheat flour to be provided for emergency stockpiling in Norway. (English text).

Report of the number and amount of loans to immigrants made under the provisions of section 69(1) of the Immigration Act during the fiscal year ended March 31, 1960, pursuant to section 69(6) of the said act, being Chapter 325, R.S. 1952. (English text).

The Canada Gazette, Part II, Statutory Orders and Regulations 1960, Wednesday, April 27, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Copy of protocol and exchange of correspondence concerning Canadian-U.S.S.R. Trade Agreement, all dated April 18, 1960. (English text).

CANADA—U.S.S.R. TRADE AGREEMENT

PROTOCOL AND EXCHANGE OF CORRESPONDENCE

Hon. W. M. Aseltine: Honourable senators, with leave, I move:

That a copy of protocol and exchange of correspondence concerning the Canadian-U.S.S.R. Trade Agreement, all dated April 18, 1960, tabled this day, be printed as an appendix to the *Minutes of the Proceedings* of the Senate, and form part of the permanent records of this house.

Motion agreed to.

FEEDS BILL

REPORT OF COMMITTEE ADOPTED

Hon. Cyrille Vaillancourt, Chairman of the Standing Committee on Natural Resources, reported that the committee had considered Bill S-27, to control and regulate the sale of feeds, and had directed him to report the same to the Senate with one amendment.

Amendment read by the Clerk Assistant:

Page 3, line 4: After the word "any" insert the word "qualified".

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

Hon. Mr. Vaillancourt: With leave, I move that the report be adopted now.

Hon. W. Ross Macdonald: Explain. There was an amendment made to this bill. I can explain the amendment, but as I did not introduce it I do not feel it is my place to give an explanation. Surely some other honourable senator is better qualified than I am to explain it, but if no one else will do so, I will.

Hon. Mr. Aseltine: It is a very simple amendment, but I have not a copy of the bill before me.

Hon. Mr. Vaillancourt: Honourable senators, as the honourable leader of the Government (Hon. Mr. Aseltine) has stated, it is a very simple amendment. Clause 6 (2) of the bill reads:

The minister may designate any person as an inspector or analyst for the purpose of this act.

The honourable senator from Westmorland (Hon. Mr. Taylor) proposed the insertion of the word "qualified" after the word "any".

Hon. Mr. Farris: Who would determine the inspector's qualifications?

Hon. Mr. Vaillancourt: The minister. Whenever it is desirable to have an analysis made, instead of sending samples to Ottawa the minister may have the analysis made by a local person whom he appoints as an inspector. This amendment requires that the person so appointed be qualified.

Hon. Mr. Farris: What puzzles me is why the committee would consider that the word "qualified" is necessary. It suggests that otherwise the minister might appoint an unqualified person.

Hon. Mr. Brunt: That is a point.

Hon. Mr. Aseltine: I thought it was bad draftsmanship, but we did not consider that much difficulty would be encountered.

Hon. Mr. Macdonald: As the departmental representative explained in committee, the minister would appoint a person who has been qualified under the Civil Service Act or a provincial act. In any event, the person appointed should be qualified. The committee therefore felt that instead of giving the minister power to appoint anyone, his power should be limited to appointing a qualified person, and for that reason the word "qualified" was inserted in the bill.

Report adopted.

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

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 342 to 362, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

DRUG ADDICTS

NOTICE OF INQUIRY RE TREATMENT IN BRITISH COLUMBIA

Hon. Thomas Reid: Honourable senators, I give notice of the following inquiry for Thursday next:

1. Following the announcement made by the Honourable the Minister of Justice on his recent visit to the British Columbia Penitentiary suggesting some form of treatment of drug addicts by the provincial Government of British Columbia, has any such proposal been made officially to the British Columbia Government?

2. If so, have the provincial authorities of British Columbia indicated any real interest in the matter or agreed to a proposal of treatment as suggested by the Honourable the Minister of Justice?

May I be permitted to make just one statement? I feel sure that all honourable senators will be very pleased that the announcement as appeared in the press is along the lines of the report of the Senate committee on narcotic drug traffic in Canada.

Hon. Mr. Macdonald: Hear, hear.

TRANS-CANADA HIGHWAY

PORT MANN TO ABBOTSFORD AND CHILLIWACK, B.C.

Hon. Thomas Reid inquired of the Government, pursuant to notice:

1. Has the federal Government entered into any agreement to assist the provincial Government of British Columbia for the construction of a new highway as part of the Trans-Canada Highway from Port Mann to Abbotsford and Chilliwack?

(a) If so, what financial assistance or share of the construction of this new highway has been agreed upon by the federal Government?

2. If any financial assistance for the new portion of the Trans-Canada Highway has been agreed upon, will such assistance be over and above the amounts already granted on the present Trans-Canada Highway from the Pattullo Bridge to Abbotsford?

Hon. W. M. Aseltine: The following is the answer to the honourable gentleman's inquiry:

1. Yes. The route designated under the Trans-Canada Highway Agreement is in part as follows: "by-passing the city of Chilliwack on the south to the Vedder Canal, thence along the Sumas Prairie through Delair, by-passing Abbotsford to the south, thence westerly on a route to be determined to the south end of the Second Narrows Bridge". The section "on the route to be determined" does cross the Fraser River at Port Mann. Under the terms of the agreement Canada is sharing 50 per cent of the cost of construction for an equivalent two-lane highway.

2. No. Any contributions made on the highway from the Pattullo Bridge to Abbotsford will be refunded to Canada.

CONSTRUCTION

HOUSING UNITS

Hon. W. M. Aseltine: Honourable senators, on Tuesday, April 5, 1960, as reported at page 499 of *Hansard*, the honourable senator from De la Durantaye (Hon. Mr. Pouliot) asked for further information to that provided in the answer to his question which appears at page 489 of *Hansard*. The honourable senator's original question was understood to ask for the number of building permits issued for new residential and non-residential construction in Canada. Since the number of permits issued by municipalities is not maintained, the value of the permits issued was substituted.

It appears from the honourable senator's reference to this inquiry, at page 499, that what he desires is the number of dwelling units, or housing units, which have been completed. This information is in the *Canada Year Book* for 1959, at page 700, under tabulation No. 18. This is more complete than that shown under tabulation No. 15 on page 694 of the *Canada Year Book* for 1959, because not all municipalities have uniform building permit laws and in some areas permits are not required. I would therefore ask leave of the Senate to have this additional information printed in *Hansard* as a supplementary answer to the honourable senator's inquiry.

Hon. Senators: Agreed.

Hon. Mr. Aseltine: The information requested is:

	Completions of new dwellings*
1946	60,459†
1947	72,218†
1948	76,097†
1949	87,533†
1950	89,015
1951	81,310
1952	73,087
1953	96,839
1954	101,965
1955	127,929
1956	135,700
1957	117,283
1958	146,686
1959	145,671

*Excludes the Yukon and Northwest Territories.
†Does not include Newfoundland.

PRESIDENT OF FRANCE

ADDRESSES AT STATE LUNCHEON IN HONOUR OF GENERAL DE GAULLE

Hon. W. M. Aseltine: Honourable senators, I wish to make a motion in connection with the visit to Canada, during the Easter recess, of the President of France, General Charles de Gaulle.

Canada was honoured by General de Gaulle's visit, even though he was able to stop over at this time for only some three days. We regret, I am sure, that his visit was not of longer duration, and we hope that he will return in the not too distant future and pay us another visit. I think I am safe in saying that while he was here he made a profound impression on the people of Canada. As honourable senators are aware, there was a State Luncheon in his honour at the Chateau Laurier, Ottawa, on the 19th of April. With leave of the Senate, I move, seconded by the Honourable Senator Macdonald, P.C.:

That the address delivered by the Right Honourable John G. Diefenbaker, P.C., Q.C., Prime Minister of Canada, at a State luncheon in honour of President de Gaulle, of France, at the Chateau Laurier, Ottawa, April 19, 1960, and the reply by President de Gaulle, be printed as an appendix to the *Debates of the Senate*.

Hon. W. Ross Macdonald: Honourable senators, it affords me great pleasure to join with the Leader of the Government (Hon. Mr. Aseltine) in his motion that the addresses delivered by the Prime Minister and General de Gaulle at the State Luncheon in Ottawa be printed in our *Hansard*.

I am sure we all regret that General de Gaulle's visit to Ottawa took place during the Easter recess when most members of both houses of Parliament were at their homes—when most of us were hundreds of miles, and some of us thousands of miles, from here. We would all have liked to be present to hear his address. I understand he gave it in a most interesting manner and that on no occasion did he use any notes. He made a profound impression wherever he spoke, not only in Canada but throughout the United States. Although it was impossible for most of us to be in Ottawa at the time of his visit we all had an opportunity, and I am sure we all took advantage of it, of hearing his address by means of television. I am certain that all of us would like to have this address and the address of the Prime Minister in our permanent records, available for reference from time to time in the future. I am very pleased to second the motion.

Motion agreed to.

For text of address by the Prime Minister and reply by General de Gaulle, see appendix to today's Hansard, *pp. 520-2.*

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES

Hon. Mr. Aseltine: Honourable senators, I ask that the motion which appears in my name stand until Tuesday the 17th of May, 1960.

Hon. Mr. Farris: Will it come on then?

Hon. Mr. Brunt: We hope so.

The Hon. the Acting Speaker: The motion stands.

HON. THOMAS V. GRANT

WELCOME ON RETURN TO CHAMBER AFTER ACCIDENT

On the Orders of the Day:

Hon. W. M. Aseltine: Honourable senators, before the Orders of the Day are called I should like to draw attention to the fact that we have with us again the honourable senator from Montague (Hon. Mr. Grant), who just

a few days prior to the opening of this session of Parliament suffered a serious accident. I just want to say how pleased we are to have him back with us and to express the hope that he has fully recovered and will be with us for a long time to come.

Hon. Mr. Brunt: Hear, hear.

Hon. John J. MacDonald: Honourable senators, I think I would be remiss in my duties if I did not support the honourable Leader of the Government (Hon. Mr. Aseltine) in welcoming back our good colleague Doctor Grant. It was back in March 1909 when I first met Senator Grant. He was known then simply as Thomas V. Grant. Some years prior to that he was a railway mail clerk, and of course had a lot of experience in pushing iceboats across the strait, because on many occasions that was the mode of travel between the Island and New Brunswick. However, in 1909 he was a student at Tufts Medical College. At that time neither he or I dreamt of being associated with honourable senators in this house.

Unfortunately, three or four days prior to the opening of the present session of Parliament, when he was about to get into his car he met with a serious accident, and that is why he was delayed in getting here. We are very happy to see him here again and so well.

Hon. Mrs. Inman: Honourable senators, I should like to add a word to what has been said by the two honourable gentlemen who preceded me. We on this side of the chamber also are delighted to have Senator Grant with us again.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-291, for the relief of Myrtle Gertrude Lily Molloy Heany.

Bill SD-292, for the relief of Kathleen Margaret Sinclair McKenna Roberts.

Bill SD-293, for the relief of Marion Toba Wolfe Cohen Shapiro.

Bill SD-294, for the relief of Marie Lucille Simone David Raymond.

Bill SD-295, for the relief of Otto James Kerr.

Bill SD-296, for the relief of James Justin Sims.

Bill SD-297, for the relief of Sylvia Overland Katz.

Bill SD-298, for the relief of Blanche Brigitte Paulette Gagne Joly.

Bill SD-299, for the relief of Carmel Duguay Mitchell.

Bill SD-300, for the relief of Catherine Maureen Kelly Mavor.

Bill SD-301, for the relief of Maria Ruland Reutter.

Bill SD-302, for the relief of Joseph Louis Victor Dupere.

Bill SD-303, for the relief of Rose Polivka De Bom.

Bill SD-304, for the relief of Vernis Clifton Christie.

Bill SD-305, for the relief of Thomas Edward Imbleau.

Bill SD-306, for the relief of Jean Guy Cardinal.

Bill SD-307, for the relief of Marie Mathilde Charlotte Boisjoli Dore.

Bill SD-308, for the relief of David Lloyd Tune.

Bill SD-309, for the relief of Sybil Fenster Shaicavitch.

Bill SD-310, for the relief of Lynda Marjorie Cowell Smith.

Bill SD-311, for the relief of Alois Zisser.

Bill SD-312, for the relief of Stanley Sepchuk.

Bill SD-313, for the relief of Nadine Tudor Labreche.

Bill SD-314, for the relief of Robert Gordon Stitt.

Bill SD-315, for the relief of Philippa Jane Hutchins Tanton.

Bill SD-316, for the relief of Julianna Barna Nadasdi.

Motion agreed to and bills read third time and passed, on division.

BILLS—THIRD READINGS

Hon. Mr. Roebuck moved the third reading of the following bills:

Bill SD-317, for the relief of Franciszek (Frank) Wyspianski.

Bill SD-318, for the relief of Mary (Moira) Steel Taylor Maddison-Roberts.

Bill SD-319, for the relief of Marie Evelyn Lindsay Slade.

Bill SD-320, for the relief of Elsa Faiga Manace Grossman.

Bill SD-321, for the relief of Joseph Armand Dube.

Bill SD-322, for the relief of Margaret Elizabeth Perkins Petrachuk.

Bill SD-323, for the relief of Istvan Horvath.

Bill SD-324, for the relief of Kathleen Margaret Manchios Kotsos.

Bill SD-325, for the relief of Peter Zeppetini.

Bill SD-326, for the relief of Jean Louis Beaudet.

Hon. W. D. Euler: Honourable senators, I know it is not customary to discuss bills on third reading, and I shall be brief.

A good many years ago I became a member of the Divorce Committee, more or less by accident, and I served on it for a number of sessions with diligence. I have not done so in recent sessions, although I am still a member of the committee, notwithstanding my request that my name be removed from the list. This morning I was drafted to serve on the committee to make up a quorum. I remarked to the chairman of the committee that, in view of what is taking place in the House of Commons, this work seems to me to be a case of "love's labour lost".

I should like to ask the honourable Leader of the Government (Hon. Mr. Aseltine) if he can give us any information as to whether the divorce bills now being held up by the House of Commons will ever be passed. If there is no possibility of their being passed, I see no good reason why the Divorce Committee of this house should continue to hear evidence which is going to be of no use whatsoever.

Hon. W. M. Aseltine: Honourable senators, I have had this matter under advisement for some time. It is rather difficult for senators to go to the other house and tell the honourable members there what they should do.

Hon. Mr. Euler: I am not saying that should be done.

Hon. Mr. Aseltine: We just cannot do it. However, I have considered the matter and I have talked it over with responsible people, but at the present time I do not have any solution for the problem.

Hon. John J. MacDonald: Honourable senators, before the Easter recess I had lunch in the cafeteria with Mr. Hazen Argue, and I brought up the question of divorce bills and the filibuster or hold-up which is taking place in the House of Commons. I asked him what was the real problem. He suggested that they wanted to get rid of divorce in that house. He also said—

The Hon. the Acting Speaker: I would point out to the honourable senator that he is out of order in quoting something said by an honourable member of the other place, especially when it was said in confidence.

Hon. Mr. MacDonald: I am sorry, Mr. Speaker.

Motion agreed to and bills read third time and passed, on division.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, I had fully expected that we would now have before us certain legislation from the other house, namely, the bill to amend the Federal-Provincial Tax-Sharing Agreements Act, and the bill to amend the Trans-Canada Highway Act. I am hopeful that at least one of these bills will be before us for debate on second reading tomorrow. I have, therefore, no alternative but to move that we now adjourn.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 517*)

ADDRESS BY THE RIGHT HONOURABLE JOHN G. DIEFENBAKER, PRIME MINISTER OF CANADA, AT A STATE LUNCHEON IN HONOUR OF GENERAL CHARLES DE GAULLE, PRESIDENT OF FRANCE, AT THE CHATEAU LAURIER, OTTAWA, APRIL 19, 1960, AND REPLY OF GENERAL DE GAULLE.

Right Hon. John G. Diefenbaker: Mr. President, Madame de Gaulle, distinguished guests, my first words must be to welcome you here as we gather to do honour to the President of France and I want to say to you at once, sir, within the hours that have passed since your arrival here you must have felt the degree of Canada's regard and affection for you as the great leader of one of Canada's mother countries.

And most of what I say will be in the English language because I seem to recall that Sir Winston Churchill on a recent occasion when you conferred upon him the Cross of Lorraine stated that while in the days of war he did speak in French but the days of war were over and therefore he would only speak in English for the benefit of those that were listening to him. However, I do want to welcome you in a few words in the other official language.

(*Translation*)

Fifteen years ago the Canadian people welcomed the President of the provisional Government of the French Republic. Earlier in the war we had acclaimed the president of the French Committee of National Liberation. Today we welcome the President of the French Republic and community. Now as before, however, it is to General de Gaulle that we offer our respect and admiration. We are happy to welcome you, as well as Madame de Gaulle who represents, in our eyes, the women of France with all their fine qualities of the heart and mind.

During those fifteen years France has recovered her *élan*; under your direction, France is a vital, dynamic and prosperous country which again holds the position she deserves among the great nations.

(*Text*)

Mr. President, when you visited London earlier this month Her Majesty Queen Elizabeth, who is our Queen, said to you that Britain and France were joined to Canada and the United States by ties of history, culture and language.

May I illustrate how truly and unforgettably Her Majesty's words applied to Canada.

Only a few acres from where you sit now, Mr. President, walked the sons of France, who more than three centuries ago began this nation's days—explorers like Samuel de Champlain, to whose memory stands a monument on a nearby cliff and missionaries like the immortal Jean de Brebeuf, who on his way to martyrdom camped for three days only a few miles from this spot; and those equally heroic souls, Father Gabriel Lalement and Father Jogues.

These were the men, Mr. President—and there were many others—who brought to this land and carried to its farthest frontiers the eternal verities of civilization—the men who in regions of darkness and terror and awful solitude endured for France and their faith—the men of whom the historian Parkman wrote:

> Men steeped in antique learning, pale with the close breath of the cloister, here spent the noon and evening of their lives, ruled savage hordes with a mild parental sway and stood serene before the direct shapes of death.

These were the men—the sons of France, of our first Canadian story—their treasurable contribution in our memories forever.

We remember, and will remember forever, that dread hour in 1940 when you, a lonely and desperate figure of destiny, clarioned the world for France and for freedom—that clarion call which, as Her Majesty said truly to you in London, matched the winged words of Sir Winston Churchill.

And we remember, too, sir, how in the long dark days which followed, those days when liberty was under siege, those days which tried through and through every quality and mystery of the human spirit, you stood as France incarnate, the valiant trustee of her ancient glory.

There is our remembrance that in the soil of France tens of thousands of our sons rest in the quiet of God's acre—our sons who, in two world wars, went out from us into the night for freedom. In many hundreds of plots throughout the hills and valleys of France lie our dead, in resting places dedicated forever to their memory and cared for tenderly by the people of France.

Those are our memories. Those are the thoughts that come to us on this day. You have truly brought a new strength to France at home and abroad. By your compatriots you have been entrusted with the responsibility of restoring the stability of the

French state; through the courageous application of your powers, France is firmly embarked on a brilliant renaissance. You have opened the door to an honourable settlement in Algeria; and, in territories where the Tricolor has flown for generations, you have been the builder of the community of independent states joined by a common loyalty to the traditions and ideals of democracy.

This visit is an important one in that it has provided an opportunity for a continuation of the discussions between us which began in Paris in November 1958. The intervening months have been fateful for our civilization. We are approaching a stage of decision, a time when the quality of leadership will be submitted to its sternest test. Personal contacts on the highest level have been multiplying since our last meeting and have been an essential preliminary to the formal meeting of chiefs of state and heads of government which you will attend in Paris a month hence. Although not a participant at the summit, Canada has none the less a vital concern with the outcome. We will be following with intense interest the discussions that take place and the decisions that are made.

Today in our discussions we have examined together the outlook for peace. You have learned something of the elements of our thinking on the great issues of foreign policy. None of them is greater than an end to the arms race with its financial burdens on national economies and all its grave dangers that armaments mean to peace. France and Canada are partners in the search for a disarmament agreement as members of the ten nations committee now meeting in Geneva. Our objective, as is your objective, is peace. I express the hope that if out of the summit comes a new understanding as between west and east and a realization that the insane waste of armaments must end, we may yet see the day when east and west may join together, join together in a major step forward, first in reducing armaments and secondly in raising the standards of men everywhere in a world offensive against poverty.

I can't express to you, sir, what this meeting has meant to my colleagues and myself, as you honoured us today by meeting with us in our cabinet. We will always have those disagreements, even the best families do, misunderstandings take place but above everything else, the leaders of the free world dare not forget that the consistent and continuing consultation at a high level is necessary at all times to assure the most effective cooperation and that unity which has been so apparent during your visit here and meant so much to me, when you honoured Canada in November 1958, when my wife and I were with you in Paris.

Canada honours you as the wartime soul of France and a realistic and idealistic statesman of his country's restored strength and power.

For these reasons, Mr. President, because of what you are, what you have been, and what you represent, and because you come to us as a tried ally and friend, on behalf of the Canadian people I salute you with admiration, and for them say to you with the heart of all Canadians, "Vive la France".

Mr. President, you have our full attention.

(*Translation*)

General Charles de Gaulle: Mr. Prime Minister, the words which you have addressed to me have moved me deeply. In thanking you on behalf of France, I want to tell you of my own impression on coming in contact with Canada.

The first voice I hear in Canada is that of History. France will always pride herself in having brought to your soil, more than four centuries ago, the germs of civilizing progress and the breadth of the Christian spirit. If, later on, other developments and influences made their mark here, if there were rivalries, battles and dismemberments, nevertheless the seed sown by France in Canada grew strong, even though other harvests have also ripened. Briefly, just as one sees water-plants rise to the surface, so I feel, rising from the depths of the past, all sorts of ties, attractions and similarities which draw the spirit and the heart of my country very close to those of yours.

This was made abundantly clear during the two World Wars. How could we, Frenchmen, ever forget the talents displayed and the prodigious sacrifices of so very many of your soldiers during the First World War on the battlefields of Artois and Flanders, and the heroic ranks of those buried in the soil of France? How could we fail to bear in mind your exemplary participation, during the Second World War, in the great battles of Normandy, of Picardy, of Belgium and Germany, which meant the liberation of Europe? How could I fail to keep alive the memories of the two visits I have previously made to Canada, one in 1944 when I saw you straining in your war effort; the other in 1945 on the morrow of victory; while you were already beginning to recover, and you were holding out the hand of help to a ravaged France? I cannot fail, in this regard, to hail the memory of Mackenzie King who led his country, while I was leading mine, through those glorious trials.

And now, how do you appear to us? Materially, a new country, of vast size, mighty resources, inhabited by a hard-working and enterprising people. Politically, a state which has found the means to unite two societies, very different in origin, language and religion; which exercises independence under the British Crown and forms part of the commonwealth, which is forging a national character even though spread out over three thousand miles alongside a very powerful federation; a solid and stable state, as proven by the fact that, in the last twenty-five years, only three Prime Ministers—my friends, Mackenzie King, St. Laurent and Diefenbaker—have headed its Government; a state which, far from concentrating only on its internal problems, makes its voice heard and plays an active part in the great affairs of the world. Finally, on the moral plane, Canada appears to us as a people very sensitive on the one hand to an orderly society, and on the other hand to the liberty and dignity of men.

Therefore, be well assured that the country, the entity, the people that you are, arouse the highest interest, sympathy and confidence of France. Not only have Canada and France no dispute over claims or ambitions, no difference of fundamentals, but, on the contrary, the French feel in common accord with Canadians, both in their conception and handling of the problems of our times.

Moreover, France, a country with a thousand years behind her, is also a new country, a country finding herself again, reshaping herself, but whose stability and reviving strength underline still further her world-wide responsibilities, illuminate her ideal—that of desiring for others the same self-determination that she wishes for herself, and which fortifies her resolve to form a vital part of what we, the free peoples, represent.

But what is our objective? In truth, it is peace, even though we realize that, to achieve it, we will have to travel a long and difficult road. In this regard, my country welcomes the approaching meeting of the heads of state commonly referred to as "the Big Four". France believes that there should first be introduced among these four states—and hence between the two camps of which they are the leading spirits—a relaxing of tensions. This implies the avoidance, at present, of any debating stalemate, and especially of any threat regarding, for instance, the problems of the German people. The matter also calls for at least a beginning to nuclear disarmament, starting with missiles and aircraft that carry atomic weapons, and over which mutual control is still practicable. Finally, there must be organized a basis of co-operation that will transcend political rivalries in the development of needy peoples.

At all events, France believes that the future of peace—and on this hinges survival—depends essentially upon the whole of Europe and upon America, which cradled modern civilization and are its fountainheads. France believes that the existence of opposing systems—assuming that the course of events does not narrow the gap between them—should not prevent peaceful co-existence, failing which nothing could, in the long run, save mankind. France hopes that, in going to the summit, she will enjoy the direct support of vigorous Canada, so worthy and able, and which she holds so close to her heart.

THE SENATE

Wednesday, May 4, 1960

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

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Copy of an exchange of notes dated April 25, 1960, constituting an Agreement between the Government of Canada and the Government of Norway, concerning Canadian wheat flour to be provided for emergency stockpiling in Norway. (French text).

PSYCHIATRISTS EMPLOYED BY DEPARTMENT OF JUSTICE

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. Are there any psychiatrists who have been employed by the Government of Canada during each one of the last ten years?

2. If so, (a) by what department?
(b) who were they? and
(c) how much was paid to each one of them?

3. Referring to the information given to the Senate by the Department of Justice on March 15, Senate *Hansard*, 1960, p. 340, did those psychiatrists recommend clemency for each person sentenced to capital punishment from 1950 inclusive to March 10, 1960?

4. If not, what was the number of such cases for which there was no recommendation from them for clemency?

Hon. W. M. Aseltine: Honourable senators, the answer to this inquiry has been discussed with the honourable senator from De la Durantaye (Hon. Mr. Pouliot). He has agreed that rather than providing a list of all psychiatrists employed by the federal Government and the salaries paid them for the past ten years, it would suffice if the information were restricted to psychiatrists of the Department of Justice, which department is most directly concerned with capital cases. The answer, so far as the Department of Justice is concerned, is as follows:

1. Yes.

2. Fiscal year	Penitentiary	Date of appointment and name	Salary
1950-51	Ottawa (Headquarters)	Dr. L. P. Gendreau, appointed September 1, 1947 (still employed)	$12,500
	Kingston	Dr. M. O'Connor, appointed November 17, 1949 to September 30, 1958	$ 5,520 p.a.
1951-52	British Columbia	Dr. D. C. MacDonald appointed July 18, 1951 to September 30, 1959	$ 5,520 p.a.
	Manitoba	Dr. G. M. Stephens appointed August 4, 1951 to January 8, 1960	$ 5,520 p.a.
1952-53	Saskatchewan	Dr. Geo. F. Nelson appointed March 7, 1953 (still employed)	$25 per day for 2 days a week (only if he attends Pen'ty)
1955-56	St. Vincent de Paul	Dr. B. M. Cormier appointed October 17, 1955 (still employed)	$ 5,520 p.a.
1958-59	Dorchester	Dr. R. R. Prosser appointed September 15, 1958 (still employed)	$ 5,520 p.a.
	Kingston	Dr. D. M. Scott appointed October 29, 1958 (still employed)	$ 5,520 p.a.
	Collin's Bay	Dr. D. M. Scott (same as above)	$ 2,500 p.a.
1959-60	St. Vincent de Paul	Dr. J. Lapointe appointed August 6, 1959 (still employed)	$ 5,520 p.a.
	Kingston (Prison for Women)	Dr. O. Karabanow appointed August 12, 1959 (still employed)	$ 2,500 p.a. (2 one-half days per week)
	Manitoba	Dr. S. D. Schultz appointed January 18, 1960 (still employed)	$ 5,520 p.a.
	British Columbia	Dr. P. M. Middleton appointed March 1, 1960 (still employed)	$ 5,520 p.a.

3 and 4. In preparing capital cases for review by the Governor in Council, the present practice of the Department of Justice is to have any psychiatric examination deemed necessary performed by a practising psychiatrist other than a member of the staff of a department of the Government of Canada. In the provinces other than Quebec, the psychiatrist consulted is Dr. J. P. S. Cathcart. At the beginning of the ten-year period he was a member of the staff of the Department of Veterans Affairs and, as such, made at least one such examination. In the province of Quebec, until early 1960 the psychiatrist consulted was Dr. J. A. Huard, Superintendent of the Bordeaux Psychiatric Hospital; examinations are now conducted by Dr. Fernand Côté, Chief of the Department of Psychiatry at Maisonneuve Hospital, Montreal. It is no part of the function of the psychiatrist to make any recommendation with respect to the exercise of clemency; his function is to make a psychiatric examination and furnish his report and opinion with respect to the mental state of the individual examined.

HON. A. K. HUGESSEN

FELICITATIONS ON ELECTION AS BÂTONNIER OF MONTREAL BAR

Hon. Vincent Dupuis: Honourable senators, may I be allowed to ask your indulgence and to call your attention to a very important event which occurred on Monday last at Montreal? Every year the Bar Association of Montreal elects its president, whom, in Quebec, we call Monsieur le Bâtonnier. Last Monday we were very pleased—and, I may say, in duty bound—to elect without any opposition as our bâtonnier the honourable senator from Inkerman (Hon. Mr. Hugessen).

I think it is appropriate to put on record an editorial in today's issue of the Montreal *Gazette*, which will allow honourable senators to judge of the harmony which exists in Montreal and the unanimity of feeling of the citizens and the members of the bar. I quote:

NEW BÂTONNIER OF THE MONTREAL BAR

One of the highest satisfactions a professional man may experience is to be honoured by his colleagues. For theirs is the informed judgment, the appraisal by professional standards.

Such a satisfaction and such an honour have come to Hon. A. K. Hugessen, Q.C. in his unanimous election as Bâtonnier of the Montreal Bar.

The same talent and character that have won him eminence in his profession, and the regard of his colleagues, have distinguished his career in other fields—in his service in the Canadian Heavy Artillery in the First World War, in his public life as a member of the Senate of Canada, in his devoted work as Chancellor of the Anglican Diocese of Montreal, and his active role in support of the Child Welfare Association, the United Nations Association, McGill University, and many other institutions close to his heart.

And, may I add, as director of many important companies; as a Canadian delegate to the Preparatory Commission of the United Nations in London, in 1945, after World War II, and as Deputy Leader of the Government in this chamber from 1950 to 1952.

Honourable senators, we of the Canadian Bar Association are indeed very hopeful that if the honourable gentleman chooses to accept new responsible functions he will surely be elected as president of that association when the time comes to elect officers.

I think it is good and appropriate to note that if, on the one hand, we of French Canadian descent are proud to declare that we recognize the broadmindedness of our fellow countrymen of English origin in rendering justice to us, it is also appropriate to say publicly that in the province of Quebec, especially in the Montreal Bar Association, we in turn are always proud to elect a bâtonnier of English descent. But it should be said that in this latest election the main reason for our unanimous support of the honourable senator from Inkerman as bâtonnier was his eminent record as a great jurist.

Therefore, honourable senators, I am sure you will grant me the honour of offering to our honourable colleague, in your names as well as in my own, our best wishes for good health and success in his new office.

Hon. William R. Brunt: Honourable senators, as a member of the Law Society of Upper Canada I should like to extend to the honourable senator from Inkerman (Hon. Mr. Hugessen) the congratulations and good wishes of all members of the bar in Ontario. We are not all acquainted with him, but many of us throughout the province are. We know that the Montreal Bar is indeed very fortunate in having him as president. We are all very pleased at his election and we wish him every success during his term of office.

Hon. John G. Higgins: Honourable senators, now that Quebec and Ontario have spoken, I wish to say a few words from one of the outlying provinces. I join in the congratulations which have already been offered to our honourable friend on his election as Bâtonnier of the Montreal Bar. He is one of the best-known lawyers in Canada. His ability as a lawyer and his great reputation are sufficient warrants for the office for which he has been chosen; but above all, as far as we are concerned—and I speak from only one year of acquaintance—his genial personality, his kindness on all occasions and his suave and pleasant manner are such that we are not only glad but delighted at the high honour that has been conferred upon him.

Hon. Arthur W. Roebuck: Honourable senators, as I am, I think, the only Bencher of the Law Society of Upper Canada in the Senate, it would be appropriate for me to express the pleasure I felt on hearing of the honour accorded to the honourable senator from Inkerman (Hon. Mr. Hugessen) and to convey to him the best wishes of my Bencher colleagues in Ontario. I join in all the kind

remarks that have been made about him. I thoroughly agree with everything that has been said as to his outstanding ability, and his courtesy, kindness and actions as a gentleman at all times.

Hon. A. K. Hugessen: Honourable senators, I must admit that I am rather overwhelmed by the extraordinary kindness of the remarks that have been made by my honourable friends the senator from Rigaud (Hon. Mr. Dupuis), the senator from Hanover (Hon. Mr. Brunt), the senator from St. John's East (Hon. Mr. Higgins) and the senator from Toronto-Trinity (Hon. Mr. Roebuck). I did not expect anything of this kind and you will, I hope, excuse me if I am not prepared with anything adequate to say on this occasion.

You have all been extremely kind in supporting the words our honourable friends have spoken.

The position of Bâtonnier of the Montreal Bar is a responsible one in that it entails a good many duties. I can only hope that the members of the Bar of Montreal, and my honourable friends here, will be equally enthusiastic when I leave my office in a year's time as they appear to be now, although I am afraid I do not expect it.

My honourable friend from Rigaud read a part of the very kindly editorial that appears in the Montreal *Gazette* of this morning. Well, with regard to that editorial, and with regard to the remarks that have been made this afternoon, I feel a little embarrassed because these are the sort of things that are normally said upon an obituary.

Hon. Mr. Macdonald: You have many years ahead of you.

Hon. Mr. Hugessen: I can only trust that these kind remarks are not just a foretaste of the fact that I am not to be with you for very much longer.

The honourable senator from Rigaud did mention one thing which I think perhaps should be emphasized here, and that is the extreme friendliness of the lawyers of the different languages who compose the Bar of Montreal, and indeed the Bar of the province of Quebec. We have had for a great number of years an *entente cordiale* in the Montreal Bar, under which for two successive years the bâtonnier is a lawyer whose native language is French, and in the third year we have a bâtonnier whose native language is English. We have had the same friendly system with regard to the other offices of our Bar Association, a system which has been in effect now for well over 30 years, and which does so much to exemplify the extraordinary happy relations that exist between the members of the bar of all languages in Montreal and generally in the province of Quebec.

Once again, honourable senators, thank you very much.

FEEDS BILL

THIRD READING

Hon. W. M. Aseltine moved the third reading of Bill S-27, to control and regulate the sale of feeds.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 342 to 362 which were presented yesterday.

On motion of Hon. Mr. Roebuck, chairman of the committee, reports adopted.

IMMIGRATION

MOTION TO DIRECT COMMITTEE TO REVIEW DEPARTMENT'S ANNUAL REPORT—ORDER STANDS

On the Order:

Resuming the postponed debate on the motion of the Honourable Senator Wall, seconded by the Honourable Senator Smith (Queens-Shelburne):

That the Standing Committee on Immigration and Labour be authorized and directed to review the Annual Report of the Department of Citizenship and Immigration, excluding that portion of the report which deals with the Indian Affairs Branch; and

That the said committee have power to send for persons, papers and records.—(Honourable Senator White).

Hon. George S. White: Stand.

Hon. William M. Wall: Honourable senators, as the original mover of this motion, and in view of the fact that the motion was last considered on April 4 and since that time has been adjourned four times, I am wondering if it would be in order for me to ask when or at what time it will be under further debate and advisement, so that some decision may be reached in the matter.

Hon. Mr. White: Honourable senators, this motion was moved and debated on March 22. On that day the debate was adjourned by the honourable senator from Rockcliffe (Hon. Mrs. Wilson), in whose name the adjourned debate stood on March 23, 24, 29, 30 and 31. The honourable lady spoke on the motion on April 4. As honourable senators know, the Senate adjourned for the Easter recess on the following Wednesday.

I would point out, partly in answer to what the honourable junior senator from Winnipeg (Hon. Mr. Wall) has said, that when he spoke to the motion on March 22 he made reference, at page 386 of *Hansard*, to a discussion which had taken place as to the setting up of a committee on manpower, and he indicated that he would be willing to withdraw his motion if there was an assurance that such a committee would be set up. I am advised by the honourable Leader of the Government (Hon. Mr. Aseltine) that negotiations have proceeded with the honourable Leader of the Opposition (Hon. Mr. Macdonald) as to the setting up of this committee, and that within a day or so a motion for establishment of the committee will be made by the Leader of the Government.

I may say that it was because of the willingness expressed by the honourable junior senator from Winnipeg to withdraw the motion under certain circumstances that I have asked to have the debate stand on more than three occasions. If it develops that the honourable senator who introduced the motion is not going to withdraw it when the manpower study committee is set up, I certainly will proceed with the debate.

The Hon. the Speaker: The order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 5, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Copy of Order in Council P.C. 1960-70, dated January 19, 1960, concerning loans from time to time to the Unemployment Insurance Fund, made pursuant to section 86 of the Unemployment Insurance Act, Chapter 50 of the Statutes of 1955. (English text).

PRIVATE BILL

WESTERN SURETY COMPANY—FIRST READING

Hon. John Hnatyshyn, for Hon. Arthur M. Pearson, presented Bill S-30, to incorporate Western Surety Company.

Bill read first time.

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

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for second reading on Wednesday next, May 11.

Motion agreed to.

AUSTRALIAN TRADE AGREEMENT BILL

REPORT OF COMMITTEE

Hon. A. Neil McLean, Chairman of the Standing Committee on Canadian Trade Relations, reported the committee had considered Bill S-28, respecting a certain Trade Agreement between Canada and Australia, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Higgins moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-327, for the relief of Antoni Kubowicz.

Bill SD-328, for the relief of Georg Zechanowitsch.

Bill SD-329, for the relief of Sonia Kwas Cada.

Bill SD-330, for the relief of Stanislaw Wroblewski.

Bill SD-331, for the relief of Jean Ednah Hiltz Dewey.

Bill SD-332, for the relief of Vera Jarvis Lahaye.

Bill SD-333, for the relief of Claire Marie Marchand McGuinness.

Bill SD-334, for the relief of Marie Denise Theberge Duguay.

Bill SD-335, for the relief of Marie Rita Desneiges Trepanier Pelcha.

Bill SD-336, for the relief of Darrell Ashley Conner.

Bill SD-337, for the relief of Gladys Florida Allard Chenier.

Bill SD-338, for the relief of Sonia Floomberg Schaffer.

Bill SD-339, for the relief of Alice Marylyn Archibald Warren Wornell.

Bill SD-340, for the relief of Doris Miller Burke.

Bill SD-341, for the relief of Jacquelyn Gregory Bradley Walker.

Bill SD-342, for the relief of Monica Carolyn Nolan McCullough.

Bill SD-343, for the relief of Aime Albert.

Bill SD-344, for the relief of Renee Helen Engel Graham.

Bill SD-345, for the relief of Florian Poissant.

Bill SD-346, for the relief of Mary Kathleen Potts (Wittingham) Barretta.

Bill SD-347, for the relief of George Herbert Bissessar.

Bills read first time.

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

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

Motion agreed to.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, the 10th day of May, 1960, at 8 o'clock in the evening.

Motion agreed to.

IMMIGRATION

ADJOURNMENT OF DEBATE ON MOTION TO DIRECT COMMITTEE TO REVIEW DEPARTMENT'S ANNUAL REPORT

On the Orders of the Day:

Hon. Cairine R. Wilson: Honourable senators, before the Orders of the Day are called, I should like to have the privilege of making a brief explanation. Yesterday the honourable senator from Hastings-Frontenac (Hon. Mr. White) did me the honour of listing the number of times I had adjourned the debate on the motion of the honourable junior senator from Winnipeg (Hon. Mr. Wall) that the Standing Committee on Immigration and Labour be directed to look into the report of the Department of Citizenship and Immigration for the preceding year. I can recall only one occasion on which I asked that the debate be adjourned. On other occasions the order was never reached on the Order Paper. On one date mentioned, the 29th of April, I was called to Toronto because of a death. I did not adjourn the debate on the five dates to which the honourable senator alluded.

PRIVATE BILL

ALLSTATE INSURANCE COMPANY OF CANADA —SECOND READING

Hon. William R. Brunt moved the second reading of Bill S-29, to incorporate Allstate Insurance Company of Canada.

He said: Honourable senators, the purpose of this bill is to incorporate a Canadian insurance company under the name of Allstate Insurance Company of Canada. This company will, when it is organized, take over all of the business which is now being done in this country by the Allstate Insurance Company, this latter company being a United States company which was incorporated in the state of Illinois on the 9th day of February, 1931.

It might be pointed out that the Allstate Insurance Company which is now doing business in Canada is a wholly-owned subsidiary of Sears, Roebuck & Company, which owns all the stock of the same save and except qualifying shares which have been issued to the directors as required by the laws of the state of Illinois.

During the year 1949 the Allstate Insurance Company applied to the Department of Insurance here in Ottawa for a licence to do business in Canada. This licence was granted on the 30th day of August 1949 and subsequently the company was licensed to do business in each of the provinces of Canada. At the present time Allstate Insurance Company writes the following classes of insurance: fire, public liability, combined accident and sickness, automobile and personal property.

The general methods of doing business that prevail in the United States with respect to the operation of this company also prevail in Canada to the extent that Canadian law and custom permit. The various types of policies are sold only by duly authorized agents of the Allstate Insurance Company, and such agents can represent no other insurance companies. The service functions are provided entirely by full-time company employees.

The Allstate Insurance Company maintains a head office in Toronto, and the business for the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Ontario and Manitoba is supervised from this office. The company also maintains a branch office in Vancouver, which supervises the business done in the provinces of British Columbia, Alberta and Saskatchewan.

The sales activities of the company are carried on by full-time agents. In addition insurance is sold from booths located in the stores of Simpsons Limited at Halifax, Montreal, Toronto and London, and also from booths located in Simpsons-Sears stores and mail order offices situated throughout Canada.

The company—and all this refers to the American company which is doing business in Canada—maintains eleven district service offices which provide claim facilities right across Canada. These offices are located in the principal cities of Canada from Halifax to Vancouver.

This company does a very extensive business. For instance, during the year 1959 the value of the net premiums written was well in excess of $14 million. Of this amount the automobile business accounted for almost $14 million of the total premiums written.

Hon. Mr. Connolly (Ottawa West): That is all of the business.

Hon. Mr. Brunt: No. The total business is well in excess of $14 million. About $400,000 worth of business is done in all other types of policies.

On December 31 last the total number of policies in force was in excess of 223,000. Of this number just over 202,000 were automobile policies.

I am sure that it is of interest to all honourable senators to learn something of the Canadian investments of this company. As of the 31st day of December last the company had Canadian investments having a value in excess of $13 million. Of this amount almost $11 million was invested in Canadian bonds and debentures, and just over $2,400,000 was invested in Canadian stocks.

The above data will give honourable senators some idea of the volume of business done by and the assets of Allstate Insurance Company in this country. In view of the rapid growth of the company, the owners of it have decided that it would be advisable and wise to incorporate a Canadian company to take over all the Canadian assets of the United States company, and also to take over all the business which the United States company is now doing in Canada. The name chosen for the company is a very logical one, Allstate Insurance Company of Canada.

With respect to the bill itself there are just one or two comments that I would like to make, and I will not take up very much of the time of this honourable body in explaining the bill.

This bill is in the usual form for the incorporation of an insurance company which is to carry on the various types of insurance business other than life insurance. If honourable senators will refer to clause 7 of the bill they will see set out there in detail the types of insurance which this company will be allowed to do. At this time I think I should point out to honourable senators that this bill takes cognizance of the amendments which were made by our Banking and Commerce Committee very recently to the bill to incorporate Adanac General Insurance Company.

I have been given to understand that the Superintendent of Insurance has approved of this bill. Like all other companies engaged in the insurance business in this country this particular company will be subject to all the regulatory provisions and clauses contained in the Canadian and British Insurance Companies Act.

The incorporators who are named in this bill are members of a well-known and well-regarded Toronto legal firm, and the head office of this company will be located in the city of Toronto.

It is the intention of the company to have nine permanent directors, made up of five Canadians and four citizens of the United States. The five Canadian directors will be chosen from among the executive of Simpsons-Sears Limited and Simpsons Limited. The four United States directors will be chosen from the present directors of Allstate Insurance Company and from the executive of Sears, Roebuck Company, the head office of which is in the city of Chicago in the United States.

Hon. Mr. Macdonald: May I ask the honourable gentleman if there will be a provision in the bylaws that five of the directors will be Canadians and that the remaining four will be from the United States?

Hon. Mr. Brunt: Yes, there will be.

Hon. Mr. Euler: May I follow that up by asking if those five directors will represent a majority of the shareholders, so that the company will not be controlled from the United States?

Hon. Mr. Brunt: With respect to the shareholdings I have no information, but the people who will appear before the Standing Committee on Banking and Commerce have all that information. I understand they will be able to tell the committee what proportion of the stock is to be owned by Canadian persons and Canadian corporations, and what proportion will be owned by citizens of the United States and corporations in the United States.

Hon. Mr. Reid: May I ask if the name "Allstate" is the same name as that of the United States company?

Hon. Mr. Brunt: Yes, except that we have added the words "of Canada".

Hon. Mr. Reid: Will there not be some confusion?

Hon. Mr. Brunt: No, we do not expect there will be any confusion, because the American company will no longer be doing any business here. When this company is incorporated it will take over the entire business and all the assets of the American company which is now in Canada.

Hon. Mr. Euler: When my honourable friend spoke of the suitability of the name "Allstate" what he said did not impress me altogether. "Allstate" would indicate that it is an American company, since in Canada we have provinces, not states.

Hon. Mr. Brunt: But the words "of Canada" are added, so the full name of this company is Allstate Insurance Company of Canada. The incorporators of the company feel that the name "Allstate" has a real value because the American company developed a tremendous business in this country.

Hon. Mr. Euler: That is why they are keeping the name.

Hon. Mr. Brunt: Yes, that is why they want to keep the name.

Hon. Mr. Macdonald: I did not want to interrupt the honourable senator, but he said the name was a logical one. What did he mean by that?

Hon. Mr. Brunt: When it was decided to incorporate this company the incorporators wanted to pick a name that would give a Canadian tinge or identification to the company and, at the same time, retain the value of the name of the company that is now doing

business here. That is why I said it was a logical name. They get the best of everything, I think, in this name.

Honourable senators will note that the proposed authorized capital will be $1 million, with power to increase the capital to $3 million if the company at some future time finds that such a step is necessary.

Hon. Mr. Wall: I notice that the bill does not say anything about the price of each share.

Hon. Mr. Brunt: That is never stated in a bill. Of the initial stock issuance of $1 million, each of the nine directors will have a beneficial interest in his qualifying share. However, the remainder of the initial issuance of $1 million will be divided between Allstate Insurance Company and Simpsons-Sears Limited.

Honourable senators will further note that, under clause 4 of the bill, $500,000 must be subscribed before a general meeting can be called for the purpose of electing directors. Further, under clause 5, the company cannot commence business until $1 million of its capital stock has been subscribed and fully paid for.

Upon the bill's receiving second reading I will move that it be referred to the Standing Committee on Banking and Commerce. Arrangements have been made for some of the sponsors whose names appear in the bill, and others, to attend before this committee. In addition, I understand that Mr. K. R. MacGregor, the Superintendent of Insurance, will appear before the committee for the purpose of making certain necessary and pertinent observations with respect to this particular bill.

Hon. Mr. Roebuck: Honourable senators, clause 3 of the bill provides that the capital stock of the company shall be $1 million, and I assume that the fees that are paid in connection with the incorporation are based upon the $1 million. But then the clause goes on to say that the capital stock may be increased to $3 million. Before this increase can be made must supplementary letters patent be taken out or must there be an amendment to the act of incorporation? Or does the clause mean that the company can issue another $2 million of capital without coming back to Parliament or obtaining consent of the Department? It is wholly too cryptic, I think.

Hon. Mr. Brunt: As I understand the mechanics of this, the fees that are now paid are based on the $1 million capitalization. When it is desired to increase the capital to $3 million the company will not have to come back to Parliament, because the authority will be in its act of incorporation—provided this clause is not amended—but the Superintendent of Insurance will see that the fees are paid before the company is allowed to increase its capitalization. After all, the Superintendent of Insurance does keep a close check and tight control on all insurance companies in Canada.

Hon. Mr. Roebuck: Is this type of incorporation usual?

Hon. Mr. Brunt: Yes, this is the usual type of bill which is used to incorporate insurance companies.

Hon. Mr. Lambert: May I ask the honourable senator if the principals of this company would be willing to come back and have the act amended in the event of increased capitalization?

Hon. Mr. Brunt: I understand that where one is not positive of the total amount of capital which a company may require, it is customary to use this particular clause, and that for a quite some time the Senate has been passing bills containing exactly the same clause.

Hon. Mr. Lambert: The practice that my honourable friend refers to may apply to insurance companies, but certainly we have many examples of increased capitalization on the part of industrial companies where it was thought necessary to amend legislation.

Hon. Mr. Brunt: That is right, but such companies do not have this power. That is why they come back to us. This provision saves the company the necessity of coming back with a second bill.

Hon. Mr. Roebuck: It also prevents us from having the opportunity of receiving a further explanation, and the company will not have to state publicly the progress it has made. Is it not a rather good thing to have progress of this kind made public? If a company is doing so much business that it needs more capital, why should it not come and say so? We would be glad to hear their representatives.

Hon. Mr. Brunt: If that is something that the members of the Banking and Commerce Committee feel should be dealt with let us deal with it there.

Hon. W. D. Euler: Honourable senators, I have not had an opportunity of reading the bill and, of course, the details will be explained and discussed in committee. Allstate Insurance Company of the United States is a very well known company which has made a great deal of progress in Canada. Being more or less in the insurance business myself, I quite appreciate that. I do think, however, that if it is at all possible

it would be well for Parliament to assure that Allstate Insurance Company of Canada is to be a really Canadian company. I must disagree with my honourable friend from Hanover (Hon. Mr. Brunt) when he says that "Allstate Insurance Company of Canada" is a logical name. To my way of thinking it is not a logical name at all so far as Canadian business is concerned. My honourable friend knows as well as I do that when the company's agents go out to sell insurance they will never use the words "of Canada"; they will refer simply to "Allstate Insurance Company". Allstate Insurance Company of the United States has created a great deal of goodwill in this country, and quite properly so, because it is in business here or has been up to now.

My submission is that the use of the name "Allstate" gives the impression that this is a United States company, on account of the fact that the United States is composed of states, and not provinces, as is Canada. If possible I would like to have some assurance that this will be a really Canadian company. Honourable senators may be surprised to learn that Canadian companies are pretty well discriminated against—I mean exactly what I say and I will give further information on this when the right time comes—in favour of foreign companies or, I should say, foreign and British companies. Even in fire insurance, Canadian companies have only a small percentage of the business.

Hon. Mr. Macdonald: When my honourable friend speaks of foreign companies I take it he includes companies from countries other than the United States?

Hon. Mr. Euler: I refer to companies from the United States, Great Britain and Switzerland. There are some Swiss companies doing business in this country. We welcome them all, of course, but I think it should be pointed out that under Canadian law Canadian insurance companies—I am not speaking of life companies—suffer a considerable handicap, to the advantage of foreign and British insurance companies, whereas if an advantage is to be given to any companies it ought, I submit, to be given to Canadian companies.

Hon. Mr. Wall: Honourable senators, the inquiry I made of the honourable senator from Hanover (Hon. Mr. Brunt) with regard to section 3 resulted from the fact that on previous occasions when we have had this class of bill before us an explanation has been made of how capital stock is to be divided. I would refer honourable senators to Bill S-7, to incorporate United Canada Insurance Company, and Bill S-18, to incorporate Adanac General Insurance Company of Canada. With reference to both these bills we were told how the capital stock of the companies was to be divided.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Banking and Commerce.

The Senate adjourned until Tuesday, May 10, at 8 p.m.

THE SENATE

Tuesday, May 10, 1960

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

Prayers.

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

DOCUMENTS TABLED

The Hon. the Speaker: Honourable senators, I wish to table the following documents pertaining to the recent meeting of the Canada-United States Interparliamentary Group:

(1) Resolution 308 of the Senate of the United States of America, adopted in recognition of the above-mentioned meeting, and transmitted to me by the Honourable Richard B. Wigglesworth, Ambassador of the United States of America;

(2) Extract from the United States of America *Congressional Record*—Proceedings and Debates of the 86th Congress, Second Session, Washington, Thursday, April 21, 1960.

This extract from the *Congressional Record* contains the speeches of welcome made on the floor of the United States Senate when the Canadian delegation appeared there. The Vice-President of the United States was presiding on that occasion and he also welcomed us.

Hon. W. M. Aseltine: Honourable senators, with leave, I move, seconded by the Honourable Senator Macdonald, P.C.:

That Resolution 308 of the Senate of the United States of America, adopted in recognition of the recent meeting of the Canada-United States Interparliamentary Group, and transmitted to the Honourable the Speaker by the Honourable Richard B. Wigglesworth, Ambassador of the United States of America, together with extract from the United States of America *Congressional Record*—Proceedings and Debates of the 86th Congress, Second Session, Washington, Thursday, April 21, 1960—Senate, tabled today, be printed as an appendix to the *Minutes of the Proceedings of the Senate* and to the *Debates of the Senate* of this day, and form part of the permanent records of this house.

Motion agreed to.

See appendix to today's Hansard, *pp. 545-8.*

INDIAN AFFAIRS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate of the receipt of a message from the House of Commons stating that the name of Mr. MacRae has been substituted for that of Mr. Montgomery on the Joint Committee on Indian Affairs.

DOCUMENT TABLED

Hon. Mr. Aseltine tabled:

Report of the Royal Commission on Price Spreads of Food Products, Vol. III (English and French texts). (Vols. I and II tabled January 19, 1960).

PRIVATE BILL

NORTHERN PIPE LINE COMPANY—FIRST READING

Hon. John Hnatyshyn presented Bill S-31, to incorporate Northern Pipe Line Company.

Bill read first time.

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

Hon. Mr. Hnatyshyn moved that the bill be placed on the Orders of the Day for second reading on Thursday next, May 12.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 363 to 379, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, I might call attention to the fact that the number of reports runs to 379 at the moment.

Motion agreed to.

COMMITTEE MEMBERS

Hon. George S. White, with leave of the Senate, moved:

That the names of the Honourable Senators Blois and Irvine be substituted for those of the Honourable Senators Emerson and Euler on the list of Senators serving on the Standing Committee on Divorce.

Hon. Mr. Roebuck: Honourable senators, I would like to say a few words of thanks from the Divorce Committee, and I presume from the house, to the honourable senator from Waterloo (Hon. Mr. Euler). Senator Euler has served for several years as a member of my committee, and he has earned a release from it. He accepted very kindly indeed my suggestion that, as he was not now taking an active part in the work of the committee, he give place to one of the newer senators, who I hope will be in constant attendance and of assistance to us.

I also want to thank the honourable senator from Saint John-Albert (Hon. Mr. Emerson) for the services he has given since he joined our little group, and to say that I regret that other work he has undertaken makes it difficult, if not impossible, for him to continue to give the committee the attention that its work justifies.

Honourable senators, with this acknowledgement of services received and expression of regret at losing two members of my committee, may I say how gladly I will welcome, if you see fit to pass the motion, the two new senators to the sittings of the Divorce Committee.

Motion agreed to.

MANPOWER AND EMPLOYMENT

MOTION TO APPOINT SPECIAL COMMITTEE TO CONDUCT STUDY—DEBATE ADJOURNED

Hon. W. M. Aseltine: Honourable senators, I move, seconded by the Honourable Senator Macdonald, P.C., the following motion standing on the Order Paper in my name:

1. That a Special Committee of the Senate be appointed to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes; and

(b) the growth and characteristics of the Canadian labour force.

2. That the said committee be composed of the Honourable Senators Blois, Bouffard, Brunt, Buchanan, Burchill, Cameron, Choquette, Connolly (Ottawa West), Courtemanche, Croll, Emerson, Haig, Higgins, Hnatyshyn, Horner, Hugessen, Inman, Irvine, Lambert, Leonard, MacDonald, Méthot, Monette, Pratt, Reid, Roebuck, Smith (Queens-Shelburne), Thorvaldson, Vaillancourt, Wall, White and Wilson (32);

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

4. That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time.

Honourable senators, the purpose of this motion is to obtain the approval of the Senate for the setting up of a special committee of the Senate to study and report on manpower in Canada, in all its aspects.

The advisability of doing something of this nature came up when we were discussing certain supplementary estimates having to do with the winter works program of the Government. Honourable senators will remember that the honourable Leader of the Opposition (Hon. Mr. Macdonald), speaking in that debate on the employment situation, stated that he had a proposal he would like to make. After referring to the Senate, and stating that it was composed of men and women of outstanding ability and experience in public matters, he made the following suggestion:

—that the Senate seriously consider referring the whole question of manpower to one of its committees or to a special committee, where impartial and unbiased attention could be given by the members of this house to the general problem of unemployment and its effects upon our national life and the individuals concerned.

Later in the same debate the honourable senators from Colchester-Hants (Hon. Mr. Blois), Toronto-Trinity (Hon. Mr. Roebuck), and Toronto-Spadina (Hon. Mr. Croll), made a few remarks in which they endorsed the idea.

Since that time I have given this matter of moving to set up such a committee my very careful attention. I have also discussed the idea on several occasions with the honourable Leader of the Opposition and with a number of other senators on both sides of the house, who think the idea is a good one and well worth following up. In fact, most of those with whom I have spoken were enthusiastic about the setting up of such a committee. It is true that one or two were more or less lukewarm, but all in all I found no one actually opposed to the setting up of such a committee.

Honourable senators also know that the idea has been approved by the press of Canada. Many articles have appeared in the local papers, in the Toronto papers, and in papers throughout Canada endorsing the idea. The thought seems to be that it will be a good thing, and that the Senate is in a position to accomplish a great deal.

I have come to the conclusion, therefore, that the Senate, by making a study of and a report on this matter, can perform a very useful service for Canada, and I submit this motion to set up such a special committee, hoping that it will receive unanimous approval.

Quite a number of special committees of the Senate have been set up in recent years to study and report on many matters of public interest. Honourable senators are familiar with these, but it will do no harm to mention some of them briefly. In speaking on this matter the honourable Leader of the Opposition mentioned the investigation made with respect to the Income War Tax Act, and I would like to refer a little more fully to the work of that committee. That committee was set up in 1946 and was authorized to investigate the Income War Tax Act and the Excess Profits Tax Act. As a result of the findings of that committee the Government made extensive amendments to those acts, one of which was legislation setting up the Income Tax Appeal Board, which has functioned most satisfactorily since its formation. I believe that committee sat through two full sessions. The chairman of the committee was a distingushed senator, the Honourable W. D. Euler.

There was a special committee of the Senate on salacious and indecent literature, and it dealt with that subject during two sessions. After hearing numerous witnesses and considering many briefs and hundreds of exhibits and other material the committee brought in a report which created wide interest throughout Canada. As a result of the recommendations of that committee a number of important amendments were made later on to the Criminal Code. At the moment I seem to have forgotten who was the chairman of that special committee.

Hon. Mr. Quinn: Senator Doone.

Hon. Mr. Macdonald: And Senator Davis after him.

Hon. Mr. Aseltine: Thank you.

In 1955 a special committee of the Senate was set up to study the problem of traffic in narcotic drugs in Canada. This committee held hearings at Vancouver and other cities of Canada. Numerous witnesses were heard, among whom were drug addicts and medical personnel qualified to give professional testimony on the problems of drug addiction in this country. Recommendations were made which resulted in a revision of the Opium and Narcotic Drug Act. The chairman of that committee was the Honourable Thomas Reid.

In 1950 a special committee was set up to study and report on human rights and fundamental freedoms. The report of that committee will be found in an appendix to the Senate debates of June 27, 1950. It is a comprehensive report, and covers the situation very fully, indeed. The chairman of that committee was the Honourable Arthur W. Roebuck.

Then there is the special committee on land use in Canada which sat for two sessions, and which was reconstituted and is still sitting. I understand that that committee hopes to bring in a comprehensive report before the end of this session. The chairman of that committee is the Honourable Arthur M. Pearson.

Hon. Mr. Macdonald: And he was preceded by the Honourable Senator Power.

Hon. Mr. Aseltine: Yes, for the first session, at any rate, the Honourable Senator Power was the chairman of that committee, and later on the Honourable Senator Pearson became the chairman.

Last year we had a committee which conducted an inquiry into the problem of inflation in Canada. The chairman of that committee was the Honourable Senator Emerson.

In my opinion, honourable senators, all these committees did very valuable work. It was not easy work; it was difficult. Each of the committees spent a good deal of time on the subject referred to it and made a great contribution to the work of the Senate.

These are but a few of the important matters which have been dealt with by Senate committees, and I might mention some others: for example, the Canada Shipping Act, the Pipe Lines Act, the National Defence Act, the Bankruptcy Act and the acts relating to trademarks and unfair competition. There was also the revision of the Criminal Code of Canada, which was mentioned by the honourable Leader of the Opposition when he was speaking on this subject.

Before coming to the conclusion that the best way of having an impartial investigation of this kind was to refer it to a special committee of the Senate I had considered the idea of a joint committee of both Houses of Parliament, but I decided, in my own mind, that a committee of this chamber had the time, the ability and the experience to do a good job, and that we should set up such a committee and give it the opportunity of carrying on an independent investigation.

At this stage, honourable senators, I do not intend to outline the subjects which this committee, if it is set up, might wish to explore in the course of its deliberations. That would be up to the committee members to decide when they meet to organize. The scope is wide, and I think that they will find plenty to do. Honourable senators, I have given the subject a great deal of thought, and it occurs to me that the committee might want to consider and deal with, among other matters, the following subjects:

1. Over-all manpower trends in the Canadian economy over the years, and the incidence thereto.

2. Major influences affecting manpower utilization in the Canadian economy, and the incidence thereto.

3. Under-utilization of manpower resources in the Canadian economy.

4. Examination of possible areas for increasing manpower utilization and maintaining and extending a high level of employment.

If I may be allowed to give an example I would suggest that under item No. 1 this special committee, if and when it is set up, might want to deal with the following:

(a) Population and labour force in Canada and the main regions.

(b) Age and sex distributions.

(c) Occupational trends.

(d) Industrial employment trends.

(e) Contribution of immigration and native population to the growth of the labour force.

(f) Trends in urban and rural population and labour force.

That is the only example I wish to give at this time. As I said, I have given these matters a great deal of thought and I know that, if the committee is set up, it will outline the program it intends to follow.

Honourable senators, as previously stated, I believe that if the motion is accepted and the committee formed it will be able to carry on an impartial and unbiased study of the matters referred to it, and eventually bring down a valuable report.

Hon. Mr. Bouffard: Honourable senators, this inquiry will be a long one. May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) if the committee will have the right and power to sit during two sessions if the work is not completed during this session?

Hon. Mr. Aseltine: According to an editorial I read in this morning's edition of the Toronto *Globe and Mail* we might not be able to finish our work in one session.

Hon. Mr. Croll: What is your opinion?

Hon. Mr. Aseltine: I would hope that if we are unable to complete the work in one session—and it is a mighty big undertaking —the inquiry would be continued in another session.

Hon. Mr. Euler: Would the committee not die at the end of the present session and have to be reconstituted in order to function next session?

Hon. Mr. Aseltine: Yes, it would have to be reconstituted.

Hon. Mr. Reid: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) whether in his opinion trade conditions would be included in an inquiry contemplated by his resolution? I am bound to say that trade, or the lack of trade, has a bearing on employment. This country is very dependent on trade.

Hon. Mr. Aseltine: I think trade would come under the second heading I referred to, major influences affecting manpower utilization in the Canadian economy and the incidence thereto. I have a lot of other information I have been working on but I did not want to take the time of the house to present it, for what I say now will have nothing to do with what the committee may decide to do. I have merely been outlining some of the work I thought the committee might want to undertake. I am quite sure that the matter of trade will come up.

Hon. Mr. Farris: I would like to ask the honourable Leader of the Government whether the term "manpower" includes women?

Hon. Mr. Aseltine: I mentioned in paragraph (b) the matter of "age and sex distributions". I think that would include women.

Hon. W. Ross Macdonald: Honourable senators, naturally I am very pleased to support the motion that has been proposed by the honourable Leader of the Government (Hon. Mr. Aseltine). The committee is to consist of 32 members, and so far as the representation from this side of the house is concerned it is representative of every province in the dominion. The result is that a number of senators who would have been most valuable members of this committee have not been included. It may be that some who have been included would prefer for reasons of their own not to act on the committee. If this is so, I wish they would let the whips know at an early date, for there are a number of experienced senators who would like to serve. Whether or not the name of an honourable senator appears on the membership of the committee, he or she can attend the committee meetings. I feel we should make it abundantly clear that every senator may not only attend the meetings but may ask questions to the same extent as members of the committee. The only difference is that a senator who is not named to the committee would not have the right to vote.

There has been such general interest in the work this committee is to undertake that it might be advisable to send notices of meetings of the committee to all honourable senators. In that way we would all feel we are members of the committee.

As the honourable Leader of the Government has said, I did suggest a committee such as he has proposed now should be set up. I made my suggestion on March 8, and, as the honourable leader has said, the suggestion was favourably received by the press of the country and, I think I can say, by the public generally. From the reaction that greeted my proposal I think I can also say it was received favourably by the senators on each side of this house.

I am therefore pleased that the committee is finally to be set up. I may say to the honourable Leader of the Government that although he gave me some encouragement after my suggestion was made, it seemed to take a long time for it to come to fruition.

Hon. Mr. Aseltine: We had a long Easter recess.

Hon. Mr. Macdonald: In fact, I began to lose hope that the committee would ever be set up. But I was patient, and instead of raising the question in the Senate I sat quietly by. Now, on the 10th day of May, following a suggestion I originally made on March 8, we are about to set up the committee.

We have lost a lot of valuable time. It is not that the problem has been lost sight of. In fact, it has been with us very prominently. Not only do we know the numbers of unemployed, but the press and the public generally have kept urging the Senate to proceed with this work. Now it is finally to be proceeded with. I was hopeful that the committee might be a joint committee. Honourable senators may have noticed that such a suggestion was made in the other place, and it was possible for an announcement to that effect to have been made in the other place today. However, it has not been made, and apparently the work has to be left entirely to the Senate.

As I said a moment ago, the problem of unemployment is very much with us. The latest figures show there are today a great many unemployed. The last statement I have is one issued by the National Employment Service on March 17 of this year. At that time there were 830,691 men and women seeking employment. The figure given by the Dominion Bureau of Statistics for the month of March was 566,000.

Hon. Mr. Brunt: What is the difference, approximately?

Hon. Mr. Macdonald: The figure for those receiving unemployment insurance benefits as of April 7 was 828,000. So honourable senators must agree that at the present time there are approximately 800,000 men and women out of work. This would be a very large number at any time, but if we are to be encouraged by the words of the Prime Minister, the Minister of Finance and the Minister of Trade and Commerce, we are living in very good times—we are living in a period of a buoyant economy. Yet, in spite of these good times, we have this condition of unemployment in the country.

I have before me a few statements with regard to our economy made by the Prime Minister. Speaking the other day, as reported by a Canadian Press dispatch in the Vancouver *Province,* he said:

> This year will be a good year without inflationary pressures.

The same newspaper, under date of December 28, 1959, referred to Mr. Churchill, the Minister of Trade and Commerce, in the following words:

> Current economic expansion without undue inflationary pressures, should continue in force in 1960 . . . The minister in his annual year-end economic review found the international climate 'particularly favourable' for future growth.

The Minister of Finance was a little more cautious. He hoped we would not get into a boom-bust period; but speaking in Toronto on January 12 last he said that Canada is moving into a period of economic expansion. The news item reads:

> Mr. Fleming said indications are that 1960 will set a new record for both private and public investment. Increases in investment for plant and equipment would more than offset the reduction in residential construction, he suggested.

Honourable senators, I quote these statements to remind the house, as I have said, that although we are not in a boom period, we are living under good conditions in a period of buoyant economy; and I ask myself, if in these conditions we have 800,000 people out of work, what would happen if we were in a depression or if times were not quite so good as they are now? That is a problem we must face. I think we must all agree that times are good in Canada, or reasonably good; but in admitting that, we must also admit there are 800,000 people out of work. Then we have to accept as a fact that from nine to twelve per cent of Canada's labour force will be unemployed almost continuously. Are we to be faced with the chronic condition of nine to twelve per cent of our working force unemployed in the best of times? That is the problem confronting us, and which this committee must try to solve.

The Leader of the Government has referred to certain powers of the committee. I am quite pleased with the terms of reference. I think the resolution presented to the house by the leader is a very good resolution. The committee, upon passage of the motion, will be authorized to study trends in manpower requirements—I am quoting almost directly from the resolution—and trends in the utilization of manpower, and will direct itself to an exploration of various methods by which a high level of employment may be reached. It will consider the over-all question of the growth of the economy. It will look into factors relating directly to manpower requirements and specifically will consider what changes have been wrought by technological alterations, and it will consider the growth and characteristics of the Canadian labour force.

Honourable senators, as I have said, the terms of reference are very wide. A question was asked by the honourable senator from New Westminster (Hon. Mr. Reid) as to whether this committee would be empowered to study the effect of trade on employment or on unemployment. I hope the committee

will not be tied too narrowly to the wording of this resolution. Let us make this a wide-open inquiry into the problem. When someone raises a question as to some aspect of our economy or our trade or our way of life which might affect unemployment, let not some member of the committee stand up and say, "Oh, the terms of reference are not wide enough." Let us not narrow the scope of this committee in any way whatsoever.

Honourable senators, a moment ago I referred to the numbers out of work as given by different branches of the Government. We have been getting three sets of figures for some time. The Department of Labour gives out two figures. It gives out the number of those who are seeking employment. The number of Canadians who are registered with the employment bureau seeking employment is always the largest number. Perhaps someone will say that is not the correct number, because some men and women who register with the department for employment have work at the present time and just want to change their jobs. Well, there may be something in that. Then there is the number given by the Bureau of Statistics. How does the bureau arrive at its figure? Well, it has representatives across the country in every town, village and city, who call on different homes, and they get a sample, as we would say, of the employment situation in particular sections of their communities. Their reports are then sent to the head office, and someone sits down and figures out that there are, say, 400,000 or 500,000 unemployed. That number is always less than those seeking employment. Then there is a third figure given out, that of the number of people who are drawing unemployment insurance. That figure seems to be the correct one. How can a man or woman draw unemployment insurance if he or she is employed?

Hon. Mr. Brunt: Anyone who did would be guilty of fraud.

Hon. Mr. Macdonald: Yes, be guilty of fraud.

Hon. Mr. Brunt: We have a lot of those cases.

Hon. Mr. Macdonald: I do not know if we have a large number of those cases. Surely there cannot be a great number of such cases. If there were, it would be a terrible slander on the working people of this country and I am not prepared to be a party to it.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Croll: It is slander to call somebody a fraud, isn't it?

Hon. Mr. Brunt: Pardon?

Hon. Mr. Macdonald: There may be some such cases, but I would say their numbers are few. However, I am not discussing that point at the moment.

I have given these three sets of figures, and, I repeat, it seems to me that the one nearest to being correct is the one which represents the number drawing unemployment insurance. A short time ago in the other house the Minister of Labour stated that officials from these three departments were going to get together and try to devise a scheme whereby there would be one figure only. I do not think much progress has been made in that respect. It occurs to me that the resolution before us is wide enough to authorize the committee to consider that question and try to devise a plan which would give a true picture of the number of unemployed. I think that would be a very worthwhile task for this committee.

I am glad the committee is to have power to send for persons, papers and records. It seems to me that there is a particularly useful field of inquiry in any rational attempt to bring some order, some certainty, out of the mass of conflicting statements which have been made about unemployment over the past year or so. I am not referring to the figures in this instance, but to the statements that have been made by various organizations and individuals as to the cause of unemployment and as to what solutions can be brought forth. As you know, we have had solutions suggested by a great many individuals and organizations, and I am quite sure that each one, be they businessmen's organizations, labour unions, Government officials, or political parties, would claim that the solution which they are presenting is the best one.

This committee, I submit, should hear any representations which may be made by any organization or any responsible group as to what solution they have for this problem.

We on this committee may not be able to decide which solution is best, but at least we shall then have all the solutions before us. They will not only be before us, but before the Government, and it will be a very worthwhile effort to have the solutions brought together and put in a form which can be easily read.

Honourable senators, I might ask to what extent the Government is responsible for a condition of unemployment. If I did ask, I know there would be many answers and they would not all be in accord. But I think you would all agree that a Government should endeavour to maintain an economic climate in which high employment will be the rule rather than the exception, and to this end

consideration should be given to calling representatives before this committee from the Department of Finance and the Bank of Canada. The committee will also undoubtedly wish to make inquiries of the officials of the Department of Labour who are most directly concerned, and will want to give thought to the continuing difficulties encountered by the unemployment insurance authorities.

Hon. Mr. Roebuck: How about labour leaders?

Hon. Mr. Macdonald: I am coming to that in a moment.

May I refer to the suggestion that there is a great deal of fraud in connection with the drawing of unemployment insurance? Statements to that effect have been made quite recently. I will read one from the Ottawa *Journal* of Tuesday, March 8:

> Rightly or wrongly, belief exists that many Canadians are applying for or receiving unemployment insurance without being entitled to it, this resulting not only in unnecessary cost to the treasury but also in distortion of our unemployment figures—something evil in itself.

We read statements like that from time to time. Also we read a statement which was made by the Parliamentary Assistant to the Minister of Labour the other day, speaking, I believe, in the city of Montreal, where he is reported to have said:

> We—

He is speaking for the Department of Labour.

> —know that fraud exists. To deny its existence would be utter nonsense.

Well, there may be some fraud, but I say that too much emphasis is given to that aspect of the payment of unemployment insurance benefits, and I think this committee should make a careful investigation to find out definitely whether this fraud is as widespread as some people claim it is.

I should not be so heated in saying I do not believe it, because I am judging the case before it is presented to the committee. I am simply expressing my belief and also my hope. In any event, I am not prejudiced against those who are drawing unemployment insurance.

Honourable senators, the whole question of the payment of unemployment insurance is a very difficult one. As honourable senators know, there has been a fund set up and that fund is contributed to by the worker, the employer and the Government. What is the position of that fund? On December 31, 1956 there was to the credit of the Unemployment Insurance Fund nearly $1 billion—to be exact, $926,776,830.22. On December 31, 1959 that amount had decreased to a sum less than half a billion. On that date the amount was $471,094,255.96. And what do we find today? Since December 31, 1959 it has dropped to $359,949,456.11, or, in round figures, to something more than one-third of the total of three and a half years ago. That is the rate at which this fund is dropping. Honourable senators will also recall that the Minister of Finance stated the other day that the Government had made a loan of $19 million to the fund.

Honourable senators, if that fund can drop to that extent, almost two-thirds, in a time of so-called buoyant economy, what is going to happen to it if we have, not bad times, but times not so good as they are today? That also is a question which I think should receive the consideration of this committee.

Hon. Mr. Euler: Just raise the taxes some more.

Hon. Mr. Macdonald: I said that the committee no doubt would like to hear from representatives of the Department of Finance, the Bank of Canada and the Department of Labour and other Government departments. I am also confident that the committee will be just as interested to hear from business and labour. It will want to hear from such organizations as the Canadian Labour Congress, which holds very strong views, not only as to the causes of unemployment, but as to its solution. I may say that the congress has already made searching investigations into this field, and I am sure it can be of great assistance to the committee. The committee will be anxious to have the views of the congress on such questions as seasonal unemployment, structural changes, technological unemployment, and the more general aspects of foreign trade, immigration and economic policies.

Almost as directly concerned as organized labour are the various trade and business associations, such as the Canadian Manufacturers' Association. The committee will wish to have the benefit of the views of such bodies as well as those of labour organizations.

Hon. Mr. Burchill: Do not forget the lumbermen.

Hon. Mr. Macdonald: My honourable friend reminds us not to forget the lumbermen. Let me add that we should not forget the fishermen nor the farmers. Indeed, there should not be any limit to the representations which this committee can hear.

There are other persons who do not directly represent labour or any of the organizations which I have mentioned. I refer to the economists, some of whom appeared before the Finance Committee last year and were of great assistance to that committee. The committee to be set up should invite before

it economists from our universities, especially those who have given lifelong consideration to the problems of manpower and their effect on the country.

Honourable senators, I do not wish to take up any more of the valuable time of this house. I feel that this committee can do very good and helpful work. I hope it will combine careful and thorough consideration with a sense, not of haste, but of urgency, in its deliberations, and that the report it eventually produces, after the scrupulously careful and earnest consideration so frequently given by committees of the Senate in the past to important national problems, will be an instructive and valuable document, directed to the assistance of those who make it their concern to fulfil the object which this committee will share with other responsible bodies in Canada, of maintaining and extending a high level of employment.

Hon. David A. Croll: Honourable senators, I am very glad that the Leader of the Government (Hon. Mr. Aseltine) paid tribute to the Leader of the Opposition (Hon. Mr. Macdonald) as the man who had the inspiration which has resulted in the bringing of this motion before us at the present time. The original suggestion was put forward two months ago, and since that time the Government benches have been somewhat timid, afraid to refuse and fearful to grant.

Hon. Mr. Aseltine: That is not correct. I received the list from the honourable Leader of the Opposition only three or four days ago.

Hon. Mr. Macdonald: I may say it was prepared six or seven weeks ago.

Hon. Mr. Thorvaldson: This is a long-term problem, anyway.

Hon. Mr. Croll: Now that you people have decided that—

Hon. Mr. Aseltine: Go ahead with the subject.

Hon. Mr. Croll: Finally, the situation has become so desperate that even the Government feels it is forced to recognize that there is some unemployment in this country, despite the statement made by a minister of the Government that this committee is not being set up to deal with unemployment and that the word "unemployment" does not appear in the motion. As a matter of fact, it does not appear in the motion. But I thought I would assure the minister and the members of this house that it will be in everybody's mind, and more particularly in the minds of members of the committee. It is in the minds of the people across Canada who are thinking and talking about this.

Despite the failure of the Government to recognize the seriousness of the situation, the figures given by the honourable Leader of the Opposition were not at all comforting. Take any one of them and see if you can get any satisfaction out of them.

I remember the last time I spoke in this house on unemployment—I think it was in March—when members on the other side in their speeches were saying to me "Cheer up, things can be worse." So I cheered up and, sure enough, things did get worse. Today I am sure they are saying "Things can't be as bad as they are painted." As a matter of fact, at this time they may be even a little worse.

There is one thing that has not been mentioned. This committee in one respect is unique. As presently nominated, it is a political, partisan committee. Half of its members were appointed to the Senate by Liberal governments and the other half by Conservative governments.

Hon. Mr. Thorvaldson: You have the power to change it if you want to.

Hon. Mr. Croll: As a matter of fact, I think we should make a change. Your suggestion will be considered. I will talk that over with some of our own people.

Such a committee has never in my recollection been appointed by this or any other similar body, because it does not reflect the house, as committees always should. It is dressed up to look like something it isn't. It will be unfortunate if the committee gets off on the wrong foot. I hope the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) will have an opportunity to support a motion to amend the resolution.

I said the committee is unique. It is unique because it breaks with tradition, with history, and is contrary to all democratic practices and usages. Never before has such been attempted. In effect, it says that the Government does not trust this house. But, on the other hand, it expects the country to have confidence in the report of the committee. It does say this, though, that the Government of the country feels much safer in the hands of the Senate than of the House of Commons, because it refused that house a committee for the very same purpose. I suggest to the Leader of the Government that the proposed membership of the committee is a mistake that ought to be corrected. Otherwise it will be a bad precedent.

I gather the purpose of the committee will be to survey manpower by having a thorough investigation of every branch of manpower. During the war we had a survey made of manpower with special emphasis on scientific and technical manpower, and it may be that

we can locate that report and up-date it, not so much from the point of view of having to find employment for those particular people but from the point of view of their being useful in assisting us to find employment for others.

It is not possible to make a study of manpower without making a study of employment and unemployment, and employment must be studied industry by industry and area by area, because the problems are very different. This time we have to make a study that is thorough and complete. We must know who is available in this country, what these people are doing now, what training they have, how long they have been unemployed, and whether we should bring the industry to the man or the man to the industry.

There are a great many questions that we have not faced up to. We have heard much about statistics—statistics from the National Employment Service, the Unemployment Insurance Commission and the Dominion Bureau of Statistics. I do not think it makes much difference which set of statistics is quoted. In so far as I am concerned, none of them give the answers I want to know. If last year in the month of March we had 700,000 unemployed, and this year we have 710,000 unemployed, I want to know whether these are the same people, whether they are in the same area, whether they are in the same trades, how long they have been unemployed, and whether this condition is occurring time and time again. When I know the answers to those questions I can do something with the problem. If as a result of that I come to a conclusion—and I use this merely as an example—that in the mining industry and in the forestry industry there are just not enough jobs available for the people who want to work in those industries, then I will know that something drastic has to be done.

In the course of our investigation we must consider employment and education. Are we training young people for employment, or are we giving them just a smattering of training which inevitably leads them to unemployment? In other words, are we educating people for today's Canada, which is a different Canada from the Canada of twenty years ago when the emphasis was on agriculture? We need to face up to the fact that some people need job re-training in this day and age in order to make it possible for them to continue to be employed. The kind of a job they were doing no longer exists. The machine is doing it. You have to train such men for something else, and the Government has to take the responsibility for that.

We have got to examine very carefully whether the Unemployment Insurance Fund and the National Employment Service are fulfilling their purpose. Is the National Employment Service redirecting people to employment? Do we need a stronger Employment Service? What, if any, are the abuses under the Unemployment Insurance Fund? We have to admit there are some people who always try to beat the fund. How do we stop it? We have to recognize that at best the fund merely prevents a panic by tiding a worker over until such time as he is able to get some kind of employment or assistance. There is something more yet. We must examine what the federal Government can do to supply federal work. I think we should give consideration to the establishment of a public works commission on a continuing basis to take a broad view across this country, to study, investigate, and recommend what public works can be profitably done, and at what time of the year, and what effect they will have upon the local employment situation. Perhaps such undertakings could be integrated with provincial and municipal undertakings to prevent a potential distress area from actually becoming one. In other words, we need a stand-by anti-recession shelf of public works to be available on short notice.

Let me give honourable senators an example. Some time ago we voted this Government $500 million for housing purposes. The Government told us at the time it would be using about $150 million of this sum. It has now $350 million in the till or available. This money is not part of the budget, so it does not affect taxation one way or another. It is money borrowed, lent and repaid at a profit to the Government. Now we have a great need for employment in this country. The construction industry is one of the great employers of labour, yet we find thousands of people who could be working in the construction industry and actually creating and building who are not being given an opportunity to do so because of a lack of mortgage money. It is a Government responsibility to fill a vacuum, whether it be a social, financial or political vacuum. We have here a social and financial responsibility, as was so well expressed by a parliamentary assistant, yet the Government does not do a thing about it except allow the conditions of unemployment in this country to continue.

There are other things which we must consider while we are making this study. We have got to consider some of the side effects. Why do people emigrate from this country? Why do we lose engineers, nurses, electronic experts and radio actors? Why do Canadian nurses go to California? Why do

Canadian actors go to England? Why do electronic engineers go to the west coast of the United States or to New Jersey? This country has been plagued with unemployment, which has been particularly severe in the last three years. In March 1958, 10 per cent of the labour force was unemployed; in March 1959, 8.6 per cent; and in March 1960, 9.1 per cent. A 3 per cent unemployment figure is considered normal. You can allow 4 per cent, but when you run into the sort of percentages I have just given it becomes a horrible show and does not do credit to the country, the Government or the people connected with it.

Everyone regrets this unemployment but no one seems to be able to come up with a solution. It has become so deeply embedded and aggravated that we almost take it for granted as though it were normal. Apart altogether from the loss of productive capacity of the unemployed, there is the loss of their purchasing power, and an even greater loss to the unemployed people themselves—to their pride and self-respect because of inability to work and make their own way.

Whatever problem we have to face at the present time we have to keep in mind there will be a hundred thousand new job seekers each year during the 1960's. And we must not forget that we are now due for the baby bulge. A large number of babies who were born immediately after World War II are now approaching the working age. Then there is the replacement of men by machines, the normal result of automation. Within the next decade industry will further aggravate the unemployment situation by the development of robot machinery.

Throughout the discussion on unemployment, which we have had for some time, the surprising thing to me is that the unemployed have been so quiet. I talk from experience. I was once a Minister of Labour and a Minister of Welfare. There have been no protests, no hunger marches, no parades, no meetings, very few resolutions passed by councils and very few letters to editors. All that I find difficult to understand. I do say that if I were unemployed I would raise hell and I would continue to raise hell. There is not much of it being raised in this country. It is hard for me to know exactly just what is going through the minds of the unemployed. The honourable Leader of the Opposition (Hon. Mr. Macdonald) referred to a recent statement by one of the ministers that our economy is now buoyant and healthy. If what we have now is prosperity I am for something different.

I hope that the honourable Leader of the Government (Hon. Mr. Aseltine) will take to mind what I have said about the composition of the committee. I believe he is making a very grave mistake, one he will regret if not corrected. This is something about which we should not argue. We are faced with a great problem. It is beyond partisanship and beyond politics and the committee ought not to get off on the wrong foot. We want this committee to accomplish something. Whether it does so in one session or in two sessions makes very little difference, so long as it is a platform for those who have some ideas to contribute. I urge the honourable leader to keep in mind what I have said about the composition of the committee, and I hope the house will see fit to endorse the resolution so that we can get to this job as quickly as possible.

Hon. Arthur W. Roebuck: Honourable senators, I, of course, could not possibly allow a motion such as this to pass without comment.

Let me introduce my remarks with very sincere congratulations to the Leader of the Government (Hon. Mr. Aseltine) for his address this evening, but particularly for the courage he has shown in bringing forward this motion. The list that he gave of the various inquiries made in the past by the Senate is a good omen for what may be accomplished by this motion and by the work of this committee. I would remind the leader, however, to add to the list which he gave, which was fairly comprehensive, the accomplishment some years ago of the Committee on Immigration and Labour which made a most notable report after an inquiry extending over three sessions. The activities of that committee were responsible very largely for those changes made in our immigration law after the Great War which have done so much in assisting Canadian citizens to bring their relatives to Canada, and, to some extent, in humanizing our immigration laws.

Honourable senators, all my adult life I have studied and considered and been concerned with this great problem of employment, or its converse, unemployment. As a very young man, before I passed my twenties, I had read a great deal of the classic political economy, and some radical political economy as well, and all my life I have supported the efforts made by fellow citizens to have this subject of unemployment considered on its merits and a solution for its disastrous effects found and adopted.

As I read it, this resolution raises the whole question of the ownership of the earth and the right of mankind to live in it, and to live without paying tribute to others for the privilege of living in it. I have for many, many years been concerned with the raw places in our social system. The Leader of the Opposition (Hon. Mr. Macdonald) pointed

out that at the present moment we are supposed to be in a period of good times. Well, we are in a period of good times for some people, but very bad times for others. When I consider that our labour force is something in the order of 10 per cent unemployed, with all that this means in suffering, degradation, and loss to the community, I rejoice at a resolution which raises at least by inference the great problem of industry and of full employment.

I remember the words of Goldsmith, when he wrote about conditions in which "wealth accumulates and men decay". That is the situation now, a situation providing great profit to some—to some of the financial institutions and others—and of great hardship to a very large number of our fellow men, where you have the two factors, the accumulation of wealth, on the one hand, and the continuance of poverty, on the other. That is a matter that is raised by this resolution, and I do trust that those of my fellow senators who are on this committee will consider the problem seriously and courageously face the facts; and, above all, that they will not spend their time on secondary factors and considerations and close their eyes to the fundamentals of the situation because privilege might be offended.

One of the great factors in employment is capital. I need not argue that question, for everyone here would agree with me. We need capital to develop our natural resources. We hear from all sides of the house and from all classes about the tremendous natural resources of the dominion of Canada and how blest we are in their ownership. Obviously resources are not of any value unless they are used, and resources cannot be worked without accumulations of capital. Yet we here have maintained a system of taxation which takes from the individual a third to fifty per cent of all he can earn, and from our corporations fifty per cent of their profits. Does that encourage the accumulation of capital, which is needed for the development of natural resources? That is one phase of our problem; that is our responsibility.

Another great factor in employment, and the greatest factor of all, is natural resources —land, both rural and urban, mines and forests, and so forth. These are the gifts of the Creator to all mankind. The development of those resources means employment, and their misuse and neglect means unemployment. There lies the problem.

Honourable senators, it is not the value of our natural resources that counts in this equation, it is the price at which they are held. Let me illustrate. One of the great fields of employment at the moment is the building of houses. Houses that are in much demand; we have never adequately housed our population. The building of houses and the manufacture and sale of furniture is a matter of great concern to a very large number of people. It affects the standard of living of those who inhabit them. Moreover, it provides work for men as perhaps no other single item I could mention. The building industry is a great industry and provides employment for a very large number of men and women, but you cannot build a house unless you have a lot to build it on. May I recall to your minds a notorious example? A very prominent citizen of our province of Ontario sold a farm on the outskirts of the city of Toronto for $2 million. Why? Because that farm was required by the citizens of Toronto for the building of houses. The question now arises whether anyone could pay $2 million just to get somebody else out of the way and still make a profit on the enterprise. Thousands of other examples could be given. It is not the value of our natural resources so much as it is the price at which they are held. These two factors, the accumulation of capital for the using of natural resources and the availability of those resources are the fundamentals of the question of unemployment.

This resolution, in my mind, raises the whole question of ownership versus enterprise. If we are on the side of ownership, and the making of great sums of money without labour and without industrial enterprise, but because of the activities of others, we will not solve this problem. If, on the other hand, we are on the side of men and women, enterprise, capital and progress, then we will do what we can to ease the burden on enterprise and, on the other hand, we will see to it that ownership does not stand in the way of progress, of labour, and of enterprise.

The motion raises the question of taxation. Our system at the present moment—federal, provincial and municipal—penalizes enterprise on every hand. When anyone does anything that employs labour or improves the community we jump on him with both feet, and we allow that great fund, the value of land, which is publicly created, to remain in the hands of private individuals, to whom we give a free hand to charge their fellowmen as much as the traffic will bear without any limitation. This is the basis of the problem of unemployment. The overvaluing for sales purposes and for high rents of our natural resources and our own ill-considered treatment taxwise of enterprise, capital and labour are the fundamentals of this problem.

As I have already said, I hope this committee will consider these problems very seriously, because the lives of a great many of their fellowmen are involved. It is our duty

to study the problems wisely, carefully and courageously. I trust that the committee will hear from all sides, and particularly from those who discuss the fundamentals, the political economy of the situation, and that it will recommend to the house real measures that mean something—let the chips fall where they may—real measures for the cure of the disastrous situation which we now face.

Hon. Jean-François Pouliot: Honourable senators, this is a great opportunity for the Senate to prove once more that it can be equal to the occasion in discussing objectively problems of the magnitude of the matter which is referred to in the motion now before this chamber.

We shall not forget that our Lord spoke some words which can be recalled on an occasion like this:

For the poor you have always with you...

He also said:

I have compassion on the people...

The whole question of manpower has been put in a nutshell, in the resolution, summarized in a few words, and the problem is now before the Senate. The resolution is:

That a Special Committee of the Senate be appointed to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:

a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes; and

b) the growth and characteristics of the Canadian labour force;

And the resolution asks that the committee be composed of 32 distinguished members of the Senate, 11 of whom sit on the Divorce Committee. I am satisfied, Mr. Speaker and honourable colleagues, that we are coming to the spiritual reform of the Senate, and this is the best proof that I was right when I said to my honourable colleagues that they could use their talents to much better advantage by doing something else than sitting on the Divorce Committee. You have the proof in the eating of the pudding. I was ridiculed at the time, but it was the interests of the Senate I was defending, and it is because I have a very high opinion of my colleagues that I made a suggestion like that and I never thought that I would so soon have the confirmation of the truth of what I said then.

But leaving this aside, my colleagues will have a tremendous work to accomplish for the public good of Canada, not only to give employment but also to prevent labour troubles. Naturally, it will be a burden on their shoulders, but the Canadian people expect the Senate to make a thorough study of the manpower question and offer a practical solution, make practical suggestions to the Government. The committee is to be composed of members who belong to all political parties, at least in this chamber, and so we are sure the work accomplished by the committee will be praiseworthy. My duty in the first place is to congratulate the sponsor of this resolution (Hon. Mr. Aseltine) and the seconder (Hon. Mr. Macdonald), to congratulate my honourable colleagues who have spoken so well on the subject, and to congratulate those important senators who will sit on that committee and will sacrifice their leisure in order to serve the public in most trying times. I realize the work that they will have to do.

Now it is my duty and my satisfaction to tell my honourable colleagues and the country that the expectation of the Canadian people at large is that the Senate of Canada will once again be equal to the occasion, as it was when a special committee under the chairmanship of the honourable senator from New Westminster (Hon. Mr. Reid), investigated the problem of narcotic drugs traffic in Canada, and when the Committee on Finance under the chairmanship of the late lamented Senator Hawkins did very fine work. Mention could be made of many other committees, such as the Tourist Traffic Committee and the Special Committee on Land Use, under the chairmanship of two distinguished senators. Indeed, mention can be made of every committee of the Senate, including the Divorce Committee, whose members I have often praised for the work they are doing to meet the exigencies imposed upon us by the British North America Act.

Honourable senators, I am sure nobody will be disappointed. Big business as well as labour will be thankful to the Parliament of Canada, and especially to the Senate.

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

AUSTRALIAN TRADE AGREEMENT BILL

THIRD READING

Hon. John G. Higgins moved the third reading of Bill S-28, respecting a certain trade agreement between Canada and Australia.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills.

Bill SD-327, for the relief of Antoni Kubowicz.

Bill SD-328, for the relief of Georg Zechanowitsch.

Bill SD-329, for the relief of Sonia Kwas Cada.

Bill SD-330, for the relief of Stanislaw Wroblewski.

Bill SD-331, for the relief of Jean Ednah Hiltz Dewey.

Bill SD-332, for the relief of Vera Jarvis Lahaye.

Bill SD-333, for the relief of Claire Marie Marchand McGuinness.

Bill SD-334, for the relief of Marie Denise Theberge Duguay.

Bill SD-335, for the relief of Marie Rita Desneiges Trepanier Pelcha.

Bill SD-336, for the relief of Darrell Ashley Conner.

Bill SD-337, for the relief of Gladys Florida Allard Chenier.

Bill SD-338, for the relief of Sonia Floomberg Schaffer.

Bill SD-339, for the relief of Alice Marylyn Archibald Warren Wornell.

Bill SD-340, for the relief of Doris Miller Burke.

Bill SD-341, for the relief of Jacquelyn Gregory Bradley Walker.

Bill SD-342, for the relief of Monica Carolyn Nolan McCullough.

Bill SD-343, for the relief of Aime Albert.

Bill SD-344, for the relief of Renee Helen Engel Graham.

Bill SD-345, for the relief of Florian Poissant.

Bill SD-346, for the relief of Mary Kathleen Potts (Wittingham) Barretta.

Bill SD-347, for the relief of George Herbert Bissessar.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading on Thursday next.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 532*)

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

RESOLUTION No. 308 OF THE SENATE OF THE UNITED STATES OF AMERICA

86th Congress, 2d Session — S. Res. 308

IN THE SENATE OF THE UNITED STATES

April 25, 1960

Resolved, That it is the sense of the Senate that the exchanges of views which took place last week between twenty-four members of the Canadian Parliament and twenty-four members of the United States Congress—

1. Served to promote further the basic understandings which exist between the peoples of Canada and the United States;

2. Served to strengthen the bonds of friendship between these peoples; and

3. Served to emphasize once again the unity of purpose, the unity of thought, and the unity of spirit with which Canada and the United States seek to promote peace and freedom throughout the world.

Resolved further, That the Secretary of the Senate transmit this resolution to appropriate officers of the Canadian Parliament.

Attest:

Felton M. Johnston,
Secretary.

EXTRACT FROM THE UNITED STATES OF AMERICA *CONGRESSIONAL RECORD*

—Proceedings and Debates of the 86th Congress, Second Session, Washington, Thursday, April 21, 1960—Senate.

"VISIT TO THE SENATE OF CANADIAN PARLIAMENT MEMBERS OF THE CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Mr. Aiken. Mr. President, the presence today, in the Senate Chamber, of a considerable number of good-looking gentlemen does not mean that recently there have been special elections for the Senate in twenty-four states. Instead, it means that we are privileged, indeed, to welcome twenty-four members of the Canadian Parliament.

Mr. President, as Chairman of the Senate delegation to the third meeting of the Canada-United States Interparliamentary Group, it gives me great pleasure to welcome to the Senate and to introduce to my colleagues here the members of the Senate and of the House of Commons of the Canadian Parliament who are delegates to this third meeting.

This is a great occasion. We have had smaller groups of members of the Canadian Parliament in Washington during the several planning meetings which have led to the formation of this interparliamentary group. But today we are happy to welcome the full twenty-four members of the Canadian delegation.

I would remind my colleagues that last June, in connection with the opening of the St. Lawrence Seaway, the Canadian Parliament welcomed twenty-four members of the U.S. Congress to Montreal and to Ottawa, for a most successful meeting of the group. On that occasion, the Canadian Parliament not only welcomed the twenty-four members of our Congress who officially attended the dedication of the Seaway and the meetings in Ottawa, but also welcomed and royally entertained about twice as many more members of our Congress—I believe there were approximately seventy of us, in all—who at that time went to Canada.

Our meetings here, today and tomorrow, are concerned principally with three subjects:

First, defense cooperation and disarmament.

Second, boundary problems, such as the development of the Columbia River Basin, and other matters pertaining to the waters of the international boundary.

Third, economic problems which are common to both countries, such as our relations with the European Common Market.

On Saturday and Sunday, as many of the members of the group as possible will visit the Strategic Air Command Base in Nebraska and the Joint Canada-United States Air Defence Command in Colorado.

They will be accompanied by as many of our own legislative body as can find it possible to attend.

Mr. President, I have one concern: I worry a great deal that members of our Senate and House of Representatives will not be able to match the splendid hospitality and the friendliness with which we were received last summer in Canada. I can only say that we shall do our best. We are doing very well so far, in so far as the weather is concerned: and we hope this beautiful weather will last while our visitors are with us.

Mr. President, at this time I shall introduce to the Senate the members of the Canadian delegation:

First, The Honourable Mark R. Drouin, Speaker of the Canadian Senate. (applause)

The Honourable Roland Michener, Speaker of the Canadian House of Commons. (applause)

The other members of the Canadian Senate who are with us are:

Senator F. M. Blois (applause)

Senator T. D'Arcy Leonard (applause)

Senator Sydney J. Smith (applause)

Senator Arthur L. Beaubien (applause)

Senator W. R. Brunt (applause)

The members of the Canadian House of Commons, besides Speaker Michener, are:

Mr. Wm. Anderson (applause)

Mr. Armand Dumas (applause)

Mr. G. E. Halpenny (applause)

Mr. Paul T. Hellyer (applause)

Mr. H. W. Herridge (applause)

Mr. H. M. Horner (applause)

Mr. Alan Macnaughton (applause)

Mr. A. J. McGrath (applause)

Mr. McGrath is the first representative to be elected from Newfoundland.

Mr. H. J. Michaud (applause)

Mr. L. J. Pigeon (applause)

Mr. Gabriel Roberge (applause)

Mr. R. D. C. Stewart (applause)

Mr. Reynold Rapp (applause)

Mr. M. Bourbonnais (applause)

Mr. Neil Spencer (applause)

Mr. Erik Nielsen (applause)

Mr. Nielsen's best-known constituent, I think, is Dangerous Dan McGrew. Is not that correct! Is he not from your district? Well, I believe he is almost from that district —from the Northwest.

And, finally, Mr. J. R. Keays. (applause)

Mr. President, I join all my colleagues in welcoming to the Senate these distinguished visitors.

(Prolonged applause—Senators rising)

Mr. Mansfield. Mr. President, will the Senator from Vermont yield to me?

Mr. Aiken. I yield.

Mr. Mansfield. I should like to join my distinguished colleague, the senior senator from Vermont (Mr. Aiken), the Chairman of the U.S. Senate Section of the Joint United States-Canadian group, in extending our warmest welcome to the distinguished members of the Canadian Parliament who are honouring us today by their visit here.

Mr. President, this morning we were honoured to have the Secretary of State extend greetings to the joint committee, at the opening of the first session.

I should like to join in extending greetings to the distinguished members of the Canadian parliamentary delegation who honour our Nation and the Senate by this visit. It is a great pleasure and a great privilege to have them call on us.

Let me say that for too many years we have had a paradox in the relations between the people of the United States and the people of Canada. Between us there has been no significant geographic or political barrier. Between us there has been no significant cultural or linguistic barrier. On the contrary, in all these basic matters, the two nations are in every sense neighbours and very close neighbours. In spite of this, our knowledge of each other as people, our awareness of each other's human hopes, human interests, and human problems has been remarkably limited. In short we have been close in the abstract, but rather distant in the specifics.

I do not think the people of the United States have wanted it that way. I do not think the people of Canada have wanted it that way. It has been one of those things which just happens without anyone knowing quite why it happens.

I believe that this paradox may now be drawing to an end. I believe that those of us who, as representatives, are closest to our respective peoples, can do much to bring it to an end. We can do so by not only reaffirming, in these binational meetings, our obvious but abstract closeness, but also by trying to bring about a similar closeness in the specifics.

Once again, I join in bidding you a warm welcome. I hope your stay among us will be pleasant, and that the deliberations of the interparliamentary group will be most fruitful.

Mr. Dirksen. Mr. President, will the distinguished senator from Vermont indulge me for a moment?

Mr. Aiken. I certainly am very happy to yield to the distinguished minority leader, inasmuch as I am occupying his seat at the present time.

Mr. Dirksen. I fully concur in and associate myself with the sentiments expressed by the acting majority leader (Mr. MANSFIELD). I emphasize to our visitors that it is always a delight and always a pleasure to have you come. We have the identity of common traditions and common language which make it easy for us to understand each other.

I doubt whether there exists a paradox in what my distinguished friend from Montana has indicated, namely, that we have not come

together more frequently. I think that fact comes about as a result of the deep trust and confidence that we have in you and that you have in us, and out of it there comes a singular affection which requires no cementing in order to keep the felicity and the fire of friendship alive from year to year and from generation to generation.

What a happy thought it is, while the boundaries between countries in other sections of the world are mounted with patrols and there is consternation and anxiety, that no patrols, no impediments, no difficulties stand in the way of the boundaries that separate us, because those boundaries are fairly invisible.

I think it is a testimony to the understanding that we have mutually, you of us and we of you; and I am confident, on the basis of what the past has indicated, that it will always be that way.

So let me join with my distinguished colleague from Vermont in extending to you the hand of fellowship, and to utter the hope, in line with the sentiment expressed by the acting majority leader, that there will come about a greater interplay, a greater and more felicitous relationship, as time goes on; that more of our people will go across the boundary, and more of your people will come here, so that we can say in truth and in fact that there is indeed a durable and abiding and integrated friendship that shall last forever.

So, gentlemen, welcome to this parliamentary sanctum.

Mr. Keating. Mr. President, will the distinguished Senator from Vermont yield?

Mr. Aiken. I yield to the Senator from New York.

Mr. Keating. As a very close neighbour of Canada, I wish to join in this tribute which has been paid, and the warm welcome which we are extending to our brethren from Canada.

My home is in Rochester, N.Y., and for many years it has been said that from the harbor in Rochester one cannot see Canada, but, for some reason, from the Canadian side, one can see Rochester. I do not know why it is, unless our brethren from Canada have greater perception. But, at least, that story is told.

In any case, we are neighbors, and visit frequently back and forth. We have fine rivalry in yachting, where sometimes we have gotten the short end of the stick.

The University of Rochester, of which I have the honor to be a graduate, has established a special program for Canadian studies, with which many of you may be familiar. I hope this pioneering venture will stimulate other institutions to establish courses and studies on Canada and on Canadian-American relations.

The institution of the Canada-United States Interparliamentary Group, linking legislators from the two countries, is certainly a fine step in the right direction in bringing our two countries closer together. We do have many problems, and this is a fine opportunity for an interchange of views on those problems, in which I am happy to be a participant.

Finally, I want to say to our friends from Canada that we who serve here, and many of us who served in the House of Representatives, are very proud of the representative of our country in your country, the Honorable Richard B. Wigglesworth, who served with great distinction in the Congress of the United States. I know, from talking to my Canadian friends, he has done a fine job there.

Ambassador Wigglesworth understands your problems and aspirations. He loves your people. He is fully cognizant of the interdependence of the two countries. I know he will continue to serve us in noble fashion in your country. I hope he will be as popular with you as he was with us.

It is wonderful to have you with us, and we hope you will soon be back again.

Mr. Morse. Mr. President, will the Senator yield?

Mr. Aiken. I yield to the Senator from Oregon.

Mr. Morse. As a member of the Foreign Relations Committee of the Senate and as a member of the Subcommittee of United States-Canadian Affairs, I wish to join in this Senate welcome to our Canadian colleagues. I say 'Colleagues' Mr. President, because we are engaged in a joint enterprise, it seems to me, at all times, connected with our common heritage.

I want to comment briefly upon that common heritage, because the Government of Canada and the Government of the United States inherited the same system for protecting individual rights, to which we are dedicated, namely the Anglo-Saxon system of justice. That is the system of government by law I speak of when I refer to protecting the freedom of individuals, and the perpetuation of individual rights.

I know I do not need to say this to our Canadian friends, but I think it must be reiterated time and time again in our two countries that freedom for the individual, including civil liberties, would not be in existence in our countries had we not inherited the Anglo-Saxon system of justice. Our

mutual system of jurisprudence is based upon fair procedures for settling disputes among litigants. It is based upon a legal truism that the substantive legal rights of the citizens of our two countries can never be any better than their procedural rights.

I would have you remember, as you participate with us as colleagues in these interparliamentary conferences, that we have a dedicated duty to carry that idea of justice to the rest of the world. After all, it is the British Commonwealth of Nations and the United States along with the other nations in the free segment of the world that have in our time a great moral duty to further the cause of winning the peace through a system of internal justice by fair procedures of international law. I think our generation offers the only time mankind will ever have that opportunity, because if we fail in our time, I think it is going to be the end of civilization as we know it in our countries. We have this dedicated duty to extend the basic principles of Anglo-Saxon justice to international justice.

We have a duty as I see it, before it is too late, to join in trying to establish a system of international justice through law, enforced by procedures through such an organization as the United Nations, for the settlement of disputes which threaten the peace of the world. If our two parliaments, acting together, can advance in the slightest degree the cause of a needed system of international justice through law, then our meetings, in my judgment, will truly be historic and we shall make a great contribution to the peace of the world.

The Vice President. The Chair wishes to say it is the custom of the Senate that the Presiding Officer is allowed to speak only when he makes a ruling or breaks a tie vote. In the past seven years there have been only seven occasions when I have been able to break a tie vote.

One exception of the rule regarding the Presiding Officer speaking is when there are distinguished visitors in the Senate Chamber, as there are today.

I know there is little which can be added to the eloquent statements made on both sides of the aisle, but I should like to say that as we consider the good fortune of our own country during the time of our existence, and as we consider our economic progress and our strength today, all Americans should be reminded from time to time, as your visit reminds us, that this has been to a great extent made possible because we have had throughout our history a friendly neighbor along 3,000 miles of our border. We have often thought what would have been the case had we not had a friendly neighbor. The United States would have had to maintain military forces along our northern border, as would have Canada, of course, with the result that neither country could have reached the economic position we both enjoy today.

This is for us a very historic occasion. It is a historic occasion for the Senate and for me personally to be allowed to speak on an occasion in the Senate. (Applause.)"

THE SENATE

Wednesday, May 11, 1960

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

Prayers.

INTERNAL ECONOMY

FIFTH REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's fifth report.

Report read by the Clerk Assistant:

Your committee recommend:

1. That Edward Jennings, Chief of Cleaning Service, Senate, be retired on September 1, 1960, and be granted an allowance under the provisions of the Public Service Superannuation Act.

2. That Mr. Jennings be granted, in lieu of six months' retiring leave with pay, a gratuity equal to the difference between six months' salary and annuity for that period.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

SIXTH REPORT

Hon. Mr. Brunt presented the sixth report of the Standing Committee on Internal Economy and Contingent Accounts.

Report read by the Clerk Assistant:

Your committee recommend:

1. That Homer E. Facto, Cleaner and Helper, Senate, be retired on August 1, 1960, and be granted an allowance under the provisions of the Public Service Superannuation Act.

2. That Mr. Facto be granted, in lieu of five months' retiring leave with pay, a gratuity equal to the difference between five months' salary and annuity for that period.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

SEVENTH REPORT

Hon. Mr. Brunt presented the seventh report of the Standing Committee on Internal Economy and Contingent Accounts.

Report read by the Clerk Assistant:

Your committee recommend that in the present and each subsequent calendar year the Speaker of the Senate be reimbursed from the funds of the Senate for entertainment expenditures necessarily incurred by him in the discharge of the duties of the office of Speaker of the Senate in an amount up to, but not exceeding, the sum of $2,000, upon presentation to the Accountant of the Senate of paid vouchers for such expenditures.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Hon. Mr. Macdonald: Honourable senators, the first two reports that have been tabled speak for themselves. Probably the Deputy Leader of the Government (Hon. Mr. Brunt) may have a few words of explanation on this report?

Hon. Mr. Brunt: Honourable senators, I was going to make an explanation tomorrow when the reports are being considered. I did not bring all the data down from my office this afternoon.

Motion agreed to.

EIGHTH REPORT

Hon. Mr. Brunt presented the eighth report of the Standing Committee on Internal Economy and Contingent Accounts.

Report read by the Clerk Assistant:

Your committee recommend that the Plan of Organization of the Senate be amended by adding thereto one additional Parliamentary Reporter.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration at the next sitting.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 380 to 392, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PSYCHIATRISTS EMPLOYED BY DEPARTMENT OF JUSTICE

COMPLAINT RE ANSWER TO INQUIRY

Hon. Jean-François Pouliot: Honourable senators, I have reason to complain about the inaccuracy of an answer given by the Department of Justice with regard to psychiatrists employed by the Government of

Canada. I refer to *Hansard* of May 4, at pages 523 and 524 where my inquiry appears as follows:

1. Are there any psychiatrists who have been employed by the Government of Canada during each one of the last ten years?
2. If so, (a) by what department?
(b) who were they? and
(c) how much was paid to each one of them?

The answer to those questions in my inquiry was quite satisfactory.

Questions 3 and 4 were as follows:

3. Referring to the information given to the Senate by the Department of Justice on March 15, Senate *Hansard*, 1960, p. 340, did those psychiatrists recommend clemency for each person sentenced to capital punishment from 1950 inclusive to March 10, 1960?
4. If not, what was the number of such cases for which there was no recommendation from them for clemency?

The first part of the answer, a statement by the Leader of the Government, was printed in type of the usual size. Then, on page 524, the answer to questions 3 and 4 was printed in the smallest type there is. It is difficult to read, but I will try to read it:

3 and 4. In preparing capital cases for review by the Governor in Council, the present practice of the Department of Justice is to have any psychiatric examination deemed necessary performed by a practising psychiatrist other than a member of the staff of a department of the Government of Canada. In the provinces other than Quebec, the psychiatrist consulted is Dr. J. P. S. Cathcart.

That is all that is said about Dr. Cathcart, and he is precisely the one about whom I want to have information, on account of the fact that he gave an interview to *Maclean's* magazine which was published in the issue of February 13, 1960. On a question of privilege, honourable senators, I cannot understand how it is that we members of the Senate cannot have information from the department about the doings of that psychiatrist, especially when he himself gives such lengthy interviews to the press. What has been paid to him, and what he has reported to the department, should be told us. We should be informed about it so that we may know whether he tells the truth when he speaks to the press. I am utterly dissatisfied with the answer that has been given by the Department of Justice, and I want it to be completed and exemplified with all the data that goes with it.

MANPOWER AND EMPLOYMENT

MOTION TO APPOINT SPECIAL COMMITTEE TO CONDUCT STUDY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine:

1. That a Special Committee of the Senate be appointed to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:
(a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes; and
(b) the growth and characteristics of the Canadian labour force.
2. That the said committee be composed of the Honourable Senators Blois, Bouffard, Brunt, Buchanan, Burchill, Cameron, Choquette, Connolly, (Ottawa West), Courtemanche, Croll, Emerson, Haig, Higgins, Hnatyshyn, Horner, Hugessen, Inman, Irvine, Lambert, Leonard, MacDonald, Méthot, Monette, Pratt, Reid, Roebuck, Smith (Queens-Shelburne), Thorvaldson, Vaillancourt, Wall, White and Wilson (32);
3. That the committee have power to engage the services of such counsel and technical and clerical personnel as may be necessary for the purpose of the inquiry; and
4. That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time.

Hon. Wishart McL. Robertson: Honourable senators, I am sorry that I do not see my way clear to join in the enthusiasm of the Leader of the Government in the Senate (Hon. Mr. Aseltine) and the Leader of the Opposition (Hon. Mr. Macdonald) in respect to the degree of good that can be accomplished by inquiring into this question. Stripped of all the verbiage with which it was surrounded by the various proponents, it comes down to the fact that both those honourable gentlemen and others who have supported the idea are alarmed at the growing unemployment in Canada and the strong prospect that it will continue, and continue to a very great degree. Inasmuch as it is bound up with a subject in which I am greatly interested, and in which I have been interested over a long period of years, I will say frankly to this house that it does not surprise me at all to find that this situation is developing. Over the years I have repeatedly drawn to the attention of this house the situation which has been developing, in the hope that someone would take action with respect to it. Rather than invite countless people to come and tell us something we already know, that there is unemployment in this country, I would harness the long experience of the members of the Senate in an effort to propound a solution to the problem of unemployment. Honourable senators might readily reply that this is the object of the resolution, but I have very grave doubts whether any of the witnesses who come before this committee will tell the Senate anything we do not already know.

I do not profess to any superior knowledge in respect to the question, but it does

not require any particular ability to realize that employment in this country stems—and this is more true of recent years—from four particular sources. First, employment has sprung from the sale of products developed from our great natural resources. Secondly, employment has come from secondary industries that have been developed for the most part to supply the needs of our domestic market. The third and fourth factors which have resulted in a huge degree of employment in the last ten years have been the extraordinary influx of capital into this country and our own extraordinary expenditures on national defence. I would hazard the guess that in those ten years Canada has spent something between $15 billion and $20 billion on national defence, practically all of which has gone out the window. At the end of World War II investment capital, particularly from the United States of America, flowed into this country to such an extent that you could not keep it out with a Gatling gun. In the last ten years we have had a huge annual expenditure of $1½ billion to $2 billion on national defence, and at the same time our overall annual capital expenditure has been something in the order of $8 billion.

I can quite understand the concern expressed about unemployment by the honourable Leader of the Government in the Senate and the honourable Leader of the Opposition, and because of future possibilities both have taken a statesmanlike stand in respect to this problem. This is understandable, because the Department of Trade and Commerce records indicate no apparent diminution in huge capital expenditures in industry. I may say this surprises me a little, but it would not surprise me any less to find sooner or later, and I suspect it may be sooner than later, that this flow of capital expenditure will start to slacken. I was interested to read in the Montreal *Gazette* this morning a statement by the Montreal Trust Company. That company is responsible for the investment of large pension funds, and so on, and has utilized Canadian equities to a very great extent for that purpose. The company has now announced a change in policy and says that in future a percentage of its funds will be devoted to purchasing equities in the United States.

Hon. Mr. Bouffard: For diversity purposes.

Hon. Mr. Robertson: For diversity purposes. Nevertheless, the fact remains there is no less diversity now than there was three years ago, and there is certainly no more. This is a natural trend, for no capital comes into this country for love of us, but rather to seek to make a return by way of profit; and if the time should come when there was any question about the possibility of adequate return, naturally the flow of capital to this country would be retarded for the time being. That is one factor affecting employment.

The second factor is our national defence expenditures. In that regard, I am at a loss to know what is going to happen. I have shared and admired the enthusiasm of the Secretary of State for External Affairs that some real disarmament is going to come out of the summit conference, but as time goes on I begin to have grave doubts that there will be any agreed disarmament. That is my personal view, and I do not claim to have any particular knowledge. In my judgment it would involve inspection over Russia, but I may be wrong. However, whether it means disarmament slowly, gradually, or more rapidly, it means a serious increase in unemployment in this country. On the reverse side, supposing no disarmament is agreed to in the spirit of anxiety and mutual recrimination that will surround the summit conference starting next Monday, it may be that we shall be in a position of having to increase our armament expenditure, or at least that public opinion will demand it. That would mean a further demand on our resources, and would have its effect on the cost of doing business.

So far as our national industries are concerned, apparently there is no immediate evidence of any material change, but there is ample evidence that we shall be faced with very grave difficulties in the future. The chief difficulty I see arising is in the lack of secondary industries in this country to compete in keeping abreast of the growing demand resulting from our expanding economy in the past ten years. That is the chief problem. I cannot really understand why we have any unemployment in this country at all.

Hon. Mr. Horner: Where is it?

Hon. Mr. Robertson: I am not speaking of this particular Government, or of any particular time, but in general. About a year ago I was in Scotland, and at the time the newspapers were agitating because of the unfair economic conditions that existed in Scotland as compared with England. I recall figures showing that unemployment was three per cent of the labour force in Scotland, whereas south of the border, in England, it was in the vicinity of only one per cent. Now, in Canada we think we are pretty smart; we have no small opinion of ourselves. However, I wonder what we would do if we were suddenly transferred to an area which has practically no natural resources at all, an area like the United Kingdom, and if we had to import all our raw materials going into production, had to fabricate them and sell them

again in competition, and had to maintain a population of 50 million, and save something besides. Yet here we are, sitting on the natural resources of half a continent, and we have a population of only 18 million. Ordinarily, I would think there should be no difficulty whatever in employing every employable person in this country, as well as a reasonable number of immigrants from outside of Canada, which we certainly need.

In my judgment there is no justification for the present situation, or at least there should not be if we were as intelligent as we ought to be. Certainly we have the potential markets and buyers well disposed to consume our products. We are associated as allies in the Western world with members of NATO and others representing 20 nations whose 500 million people have the greatest purchasing power anywhere in the world and are essentially importers of raw materials who want what we have to sell. There is no reason whatever, as far as I can see, why we should not be supplying them. I do not see why our secondary industries are not able to get a larger share of the market we need. Subsidiaries of American firms are in an excellent position to do so. They have all the resources of research of their parent companies. The Gordon Report says that, broad and long, year in and year out, the average pay for labour in this country is 25 per cent less than in the United States. The research of these subsidiaries is inexpensive and they have relatively low labour costs. Why then should they not be able to have a larger share of the market in Canada than they enjoy at present?

I had hoped to read a quotation from a periodical that I do not appear to have before me, a year-end review dealing with the Canadian General Electric Company. It went on to tell how for the last period of years—starting, I think, in 1952, and accelerating in recent years—its labour force had steadily declined from a peak of about 85,000 to, they hoped it would be, 70,000 in 1959. Now I would have thought it would have been in a position to compete with anyone in this country. I looked up the return in *Labour Research* on the rate of wages for electrical apparatus workers in that type of work and found it averages 25 per cent under the American level. As I say, these subsidiary companies have an advantage in research, so why should they be constantly losing their share of this Canadian business? This is a very important factor in our situation and is going to be a very important factor in future. I do not think there is a single secondary industry in Canada today that is not faced with almost bewildering competition from without.

Hon. Mr. Bouffard: The textile industry is one.

Hon. Mr. Robertson: It certainly is one, and it has been in that position longer than some.

I was interested in reading a report of Colonel Phillips of the Massey-Ferguson Company in the *Financial Times* of March 18, referring to the progress of the company. Colonel Phillips, who is chairman of the board, pointed out that the company had added to its overseas facilities those already existing in France and the United States, to give the company a total annual capacity of some 200,000 tractor units. He regretted, he said, that at least some of the company's new facilities could not have been established in Canada. But, he added, it has become quite clear that Canada, as a part of North America, is rapidly becoming one of the highest production-cost areas in the world and those who endeavour to survive commercially cannot ignore this ugly truth.

I think many honourable senators here have much more access to business generally throughout this country than I have, but only a few days ago I went to see a friend of mine in Montreal who is one of the prominent officials in a leading company there, a subsidiary of one in the United States, and he was telling me about his problems from competition. His concern was competition from Britain, where his parent company has a branch plant. He said that in their major line here in Canada he could compete with any Canadian producer but that he simply could not compete with the British, so he had decided to carry on as agent for them, selling their products to his customers.

When I was in Halifax recently one of the few remaining industrialists there told me of the terrific competition he is up against on his particular product. I would like to ask that he be invited to come before this committee. He was inclined to blame his high costs of production on the costs of government at all levels. Others blame it on labour. But the simple truth of the matter is that today we are being priced out of the world market, and not only as far as our export industry is concerned, for our domestic industries are running up against outside competition that they simply cannot meet.

This committee will find out about all that. Honourable members of the committee might as well make up their minds that they will have coming before them a series of people who will be united as respects the seriousness of the problem, but there will be great differences of opinion as to what the solution is. Now, broad and long, I suspect that those who come, most of them representing

domestic industry, will say there is only one thing for the Government to do, and that is to put up the tariffs or make quota arrangements. If you counter that by saying that under GATT you cannot do that today except to a limited degree, some will say, "Let us get out of GATT; we have to look after ourselves." Well, that is a fair enough viewpoint, that is a clear-cut viewpoint.

What I would like to see in this country is some group that would make up its mind as to what to do under these circumstances. Strangely enough, the only party that has come out plump and plain as a party on this question is the Canadian Labour Congress, which did so the other day in Montreal. It went holus-bolus for higher tariffs on automobiles and everything else.

The Liberal and Conservative parties between them are dodging around, sticking their toes in the water trying to find out how cold it is, trying to make up their minds what to do about it. But I am saying to you, honourable senators, that no matter how many witnesses come before the committee and what conclusions are arrived at, sooner or later you will have to face the question of what you are going to do about it. Personally, I am tired of procrastination and subterfuges, of postponing indefinitely a real coming to grips with this question. That is my position. Honourable senators, I have ideas as to what the answer is and others may have their views, but let us collect our thoughts and decide what to recommend. That is what we should do at this particular time.

I suppose I am particularly sensitive to these interminable delays because, as honourable senators may know, from a long time back I have been definitely interested in the attitude that Canada took when we signed the North Atlantic Treaty. The Government of the day refused to enter into the far-reaching obligations of that treaty until the partners agreed among themselves to co-operate economically, to limit trade rivalries and to strengthen each economy. I want to pay my tribute here to the farsightedness of the Right Honourable Mr. St. Laurent, who was Prime Minister at that time, and to his associate, the Honourable Lester Pearson. If NATO had implemented their undertakings in that respect we would not have the problems that face us today, so far as Europe is concerned.

However, lest I make it appear to be a political matter, I want to suggest that there was no material division of opinion in the Canadian Parliament on that very point. Indeed, the NATO Parliamentary Association, of which I was the first president, and in which I took a leading part, came into being by way of a protest that NATO was doing so little. Associated with this was the present Prime Minister, the Right Honourable John Diefenbaker, and the present Minister of Trade and Commerce, the Honourable Gordon Churchill. They were as interested in economic co-operation and the necessity of doing something about it as any of us were, and what I cannot understand today is that they seem to have forgotten that stand. They have clear minds and they can see the situation. All through the history of these efforts there were numerous delays, the appointing of a committee to do this and another one to inquire into that. So ten years went by while it was being absolutely ignored and a year ago the alliance was practically split down the centre, between Britain and a group on one side and the Inner Six on the other. This development is so terrifying to the rest of the world which kept aloof from it, particularly the United States and ourselves, that we scurried over to Paris to see what could be done about it in the future. That grand conception to which we solemnly put our signatures under the NATO agreement went out the window. In January of this year a new committee of four was appointed by the twenty nations, fifteen NATO nations and five others, to report on what should be done. That committee's report was tabled in this house by the Leader of the Government (Hon. Mr. Aseltine) only a few days ago. It is a lengthy report, and a good deal of consideration has been given to it. All that is contemplated is that in July of this year we shall again meet in Paris or somewhere else to decide the future course. Everyone knows that the results will not be ratified by the various Parliaments until 1961, at the least, and only then will we start to think about what we are going to do.

All this means delay upon delay. Governments are often blamed for delays, but we perhaps should not forget that Governments are harassed by what takes place from day to day. At all events, it is difficult for me to be enthusiastic about the proposal that a group of experienced men and women, members of the Senate, persons who know the score, should have to spend a further year or more inquiring into the question of a solution to the problem of growing unemployment. Let us rather get down to the basis of considering a solution. We know unemployment exists, and as things stand now it is going to continue. We know that people are not going to operate factories or in due course develop natural resources unless they can make a profit at it.

If honourable senators feel they want to spend a year and a half inquiring into unemployment, very well. Certainly, I cannot argue against the time, because, as the honourable Leader of the Opposition (Hon. Mr. Macdonald) pointed out, this job cannot be done in thirty days or sixty days or whatever time is left between now and prorogation. I say, if we are going to conduct an investigation into manpower and unemployment, let us get down to it. But before we do so, let me warn the committee that it should not accept as gospel all the evidence given before it. I have had considerable experience in this house and I know what is apt to happen in this instance. Witnesses will come before the committee and express individual views and skilled counsel will draft a summary of the report of the committee. By that time the end of the session will be approaching, and unless there is something flagrantly wrong with the report it will be accepted holus-bolus and come to this house when there is a bare quorum left to pass it.

Honourable senators, that should not happen with this committee.

I am prepared to believe, despite my lack of enthusiasm for the committee, that under the circumstances it is perhaps the best we can do to help us to make up our minds. But I repeat my warning that the committee will be up against one of the most serious problems facing the country today and will have to screen carefully the evidence it is to accept.

I am not a member of the proposed committee, and I claim no credit for inspiring the idea of it or drafting its terms of reference. I will say this, however, that I have very definite ideas as to what is the solution of the problem which this committee will find exists. Were it not entirely out of order for me to do so, I would like to appear before that committee and present my views.

Hon. Mr. Euler: Why not?

Hon. Mr. Robertson: I may follow another course. In the light of a report which was tabled in this house the other day, I had in mind at that time moving a resolution to ask honourable senators to collect their thoughts as to what we would do when we are called upon to act on that report. Make no mistake, honourable senators, we are going to be called upon to act. The inspiration for this committee came from the United States. The United States was instrumental in calling together the twenty nations and it is already giving a great deal of consideration to the basic problem.

As honourable senators may have noted, the Inner Six have had such tremendous success and growth by reason of progressively removing tariffs among themselves that they have accelerated their program to such an extent as to cause consternation in Great Britain and to cause grave danger of a trade war. But they are going to further accelerate their program for producing a single tariff against the world, which is a serious situation for all outside countries. My general impression from what I have been able to read is that the Inner Six will say to Canada and the United States: You object to the one general tariff, while we at the same time are reducing the tariffs among ourselves. We invite you to join us on a reciprocal basis.

When I was in Washington last fall I gathered that that was exactly what the Americans were working for, and the likelihood was that it would take place. There they have a State Department which for years has been under the domination or direction of a Republican Government, and regardless of what may happen in the presidential election there is likely to be a Democratic-dominated Congress. Consequently, after the election is over they are going to move. In those circumstances, if we in this country are foolish enough to listen to or accede to demands for higher tariffs to protect existing industries we are going to find ourselves isolated and alone, particularly if there is participation on the part of the United States. We must find another solution.

I read the report of the proceedings that took place in Washington over Easter, and I have noted what the Canadian and United States delegates discussed on this very lively topic. Let me say that we in Canada should be considering what position we are going to take in that respect. We do not need people to come before a committee of this house and tell us that unemployment exists and that there is going to be more unemployment because we cannot meet competitive prices. I would like to see us direct our attention to a solution of the problem.

I was pleased to hear the honourable Leader of the Opposition (Hon. Mr. Macdonald) say that those of us who are not members of the committee are not precluded from attending its meetings and asking questions and participating in every way, except voting. My suggestion to the committee is that it should make up a timetable so as not to be placed in the position of bringing its report before Parliament in the last days of the session. If that happens I, for one, will protest most strongly. While I have every confidence in this committee, I am not prepared to accept its report without a close look at it. The subject referred to it is not one that can be studied and reported upon in a matter of days. I am glad to hear that the committee will perhaps carry on its inquiry for a year or two, but I regret most

sincerely the necessity of further delays. I am convinced that among us we can find the answers, and the sooner we do the better.

Honourable senators, I have already spoken too long. I extend to the committee my hearty support and good wishes.

Hon. A. Neil McLean: Honourable senators, I wish to speak briefly in regard to the resolution for the appointment of a special committee of the Senate

> ...to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:
> (a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes...

As has been pointed out by previous speakers, we have vast resources in this country awaiting development, resources that would really support many times our present population. In fact, we own half a continent, and have far more *per capita* resources than any country in the world. I know that we have the brawn and the brain to do the job. Our national production and economic growth, of course, come from these resources. The instruments of production are labour, power and machinery. We seem to have these, some even beyond our present needs, so I do not think there are any bottlenecks in the production end of our economy.

I believe our troubles are in distribution. Our main instruments of distribution are the wheel, the ship and our monetary system. The wheel and the ship, of course, represent transportation, and the monetary system furnishes our medium of exchange. The latter is where the difficulties lie in getting what we produce marketed. In the east and west we are handicapped by high freight rates. Our shipping services are lagging. The West Indies are right at our door, for instance, and although they are part of the British Empire I find that the Americans are giving them better and faster service both by shipping and what are called box-car aeroplanes, which now carry heavy freight right to the islands. Then, take our monetary system. It is antiquated. Our dollar in foreign markets is unstable, as it fluctuates at the whim of speculators and debt dealers and we do not give as long-term credits to foreign nations on as easy terms as our competitors do, and they are more costly. Commodities are accumulated from our production resources and have to be stored in many parts of our country, and to carry large inventories we pay at least 1 per cent more in interest than other world trading nations do. When a sale is made, to be competitive we have to take either the British pound or the American dollar, as these are by far the main media of exchange by which business is done within the free world. Both are generally at a discount of 4 or 5 per cent, and this takes a great deal of the profit out of the export trade. I am sure our export industries could employ many thousands more people if they were placed on a competitive basis with those of other great trading nations of the free world.

Furthermore, this discount of the British pound and the American dollar is undermining our tariff structure. The fact is, whether in the domestic market or for export sales, our production of Canadian goods means jobs for Canadians, and uncalled-for imports mean jobs for outsiders. It has been stated that cut-price imports may help keep our cost of living down, but if they do they also deprive Canadians of the opportunity of earning a livelihood. It is a mighty dear price to pay.

At the present time our country is greatly worried over the loss of uranium exports, and rightly so. However, the loss to our industries as a whole through our unstable exchange situation, which is going on year after year, is far greater in dollars and cents than the potential loss we are faced with through the expected decrease in uranium exports, and little is being done about it.

If all these things are gone into I am sure the committee can do a good job for the Canadian economy, as there are many valuable sources of information that can be tapped, and many economic problems that are now worrying our country can be brought to the light of day, thus helping toward a constructive solution of such problems as unemployment and our unfavourable trade balance.

Hon. T. A. Crerar: Honourable senators, it is not my purpose to detain the house at any length in its consideration of this resolution. Before I proceed I should like to say that I found myself very largely in agreement with the honourable senator from Shelburne (Hon. Mr. Robertson). When I saw this resolution on my return after the Easter recess a few days ago my first thought was: "Well, why is it necessary?" The more I pondered that the greater was the difficulty presented to me.

I have noted, as you all have, that this motion was proposed in very enthusiastic terms by the Leader of the Government (Hon. Mr. Aseltine) and seconded in no less enthusiastic terms by the Leader of the Opposition (Hon. Mr. Macdonald). And, of course, my good friend and colleague from Toronto-Spadina (Hon. Mr. Croll) excelled himself, if that is possible, in his appreciation of this resolution—the timeliness of it and the need for gathering all the information possible about this problem.

However, as I say, I was nonplussed when I saw the resolution because, in effect, it covers precisely the same ground that was covered by the Gordon Royal Commission in its inquiry a few years ago, and I want to direct the attention of the house for a moment or two to that fact. It is proposed here that an inquiry be made by a committee into two things:

(a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes;

That is another way of saying, I presume, changes due to automation.

(b) the growth and characteristics of the Canadian labour force.

Those are the specific matters the house will ask the committee to inquire into if we pass this resolution, as no doubt we shall. The honourable Leader of the Opposition very wisely, I thought, entered a caveat that other matters should not be excluded from the consideration of the committee. I would suggest there is no more important subject the committee could inquire into at this time than that discussed this afternoon by the honourable senator from Shelburne. The most essential thing for Canada today is to find markets. Let us make no mistake about that. If we could find profitable markets for our timber, mineral, agricultural and fisheries products then we would not need to greatly fear unemployment in Canada. The important thing is to find profitable markets. I for one was very happy to see the emphasis put on this fact by our honourable colleague from Shelburne.

But to prosecute an inquiry along the lines I have indicated would seem to me, as I have said, to duplicate the work of the Royal Commission on Canada's Economic Prospects under the chairmanship of Mr. Walter Gordon, which made a prolonged study and examination into the economic prospects of this country. Honourable senators will bear in mind that the final report of this royal commission was made in November 1957. First of all I should comment that the commission was composed of these able men: Walter Lockhart Gordon of Toronto, Chairman; Omer Lussier of Quebec City, who is unknown to me personally but I am sure he is distinguished in his field of work; Albert Edward Grauer of Vancouver, a top-flight industrialist; and Andrew Stewart of Edmonton, who was President of the University of Alberta and is now Chairman of the Board of Broadcast Governors for Canada. The final member was Raymond Gushue of St. John's, Newfoundland. Let me comment that these are distinguished men.

Hon. Mr. Macdonald: Yes. They compare favourably with the members who are to serve on our special committee.

Hon. Mr. Crerar: I would concede that to the honourable Leader of the Opposition.

Now, what was the Gordon Royal Commission authorized to inquire into? Here is a list of the subjects:

(a) developments in the supply of raw materials and energy sources;

That is the only matter that does not particularly coincide with what we find in the resolution before the house, but it could be included under the umbrella of this resolution.

(b) the growth to be expected in the population of Canada and the changes in its distribution;

That could also be covered by the resolution we are debating.

(c) prospects for growth and change in domestic and external markets for Canadian productions;

If this committee does its work when it calls representatives from the fields of economy, labour and business it will almost inevitably inquire into that matter.

(d) trends in productivity and standards of living;

Finally, and this is important in light of the fervent speech made last evening by the honourable senator from Toronto-Spadina (Hon. Mr. Croll):

(e) prospective requirements for industrial and social capital.

The commission was authorized to engage the services of technical advisers and so on. What was the scope of operations of the inquiry conducted by this royal commission? The commission extended an open invitation to everyone to make representations to it, with the result that it received and studied 330 representations from businessmen, farmers, labour and every other class in our community. Much of this work came under special assignments the commission gave to qualified people to examine and report on particular phases of our economic development. These included studies into the electronics industry, the shoe industry, the textile industry and, in fact, all our industries. And it will be of interest to honourable senators that there was an inquiry into the probable effects of increasing mechanization in industry. In the resolution before the house we use the term "technological", which is a little more fancy.

Hon. Mr. Brunt: It is just a little broader.

Hon. Mr. Crerar: Yes. The inquiry into the probable effects of increasing mechanization in industry included this thing we call automation. This study was made by the Canadian Labour Congress.

Hon. Mr. Brunt: Was the Canadian Labour Congress the only organization which made a statement on automation? Did industry make any study?

Hon. Mr. Crerar: I have not noted that, but no doubt representations were made by industry from a study of the various aspects of industrial development.

There was a study on labour mobility, that is, the movement of labour from surplus-labour areas to areas that have not a labour surplus. There were also special studies on skilled and professional manpower in Canada; and also, which will delight some honourable senators, there was an inquiry into housing and social capital. These were exhaustive inquiries. Other studies were on the financing of economic activity in Canada, consumption expenditure in Canada and the Nova Scotia coal industry. There is scarcely a single aspect of our economy that was not covered in the surveys that were made under the direction of the commission.

Hon. Mr. Macdonald: May I ask what was the date of the surveys?

Hon. Mr. Crerar: The commission started its work in 1956 and continued in 1957. Its final report was made, as I recall, toward the end of that year. It is up to date, because basic conditions have not changed at all in that time.

Hon. Mr. Brunt: I should have thought they had, after all we heard last evening.

Hon. Mr. Crerar: I suggest to the Leader of the Government (Hon. Mr. Aseltine), that instead of calling all these business people, labour people, and economists to tell the committee what was already told before the royal commission of inquiry a few years ago, they should study the recommendations of the royal commission of inquiry and see what changes, if any, they would propose. Of course, I think Canadians are a good deal like Americans—we love to have committees and commissions of inquiry. If we have a problem, the first thing someone wants to do is to call a meeting to consider it, and to pass a resolution about it, and when the resolution is passed we think we have solved the problem. Honourable senators, I would be very loath indeed to see any further growth of that tendency. What I suggest to the house is that we already have available for study data and information from which we can draw intelligent conclusions. We may not agree with the conclusions of the Gordon Commission, but at any rate we can study the data, the facts, which it analysed and form our own opinions. But let us not deceive ourselves that through this committee we are going to make any important contribution to the knowledge of the Canadian people on economic affairs.

Honourable senators, I have not very much more to say. It seems quite apparent that while the language of the resolution is general in character, this inquiry by a special committee of the Senate arises largely from the problem of unemployment and its possible growth, and from the problems of the Unemployment Insurance Fund. May I make another interjection here? Last evening the Leader of the Opposition gave figures showing the decline in the resources of this fund. The fund today is about one-third of what it was two and a half years ago. That is a very serious matter. The Leader of the Opposition very wisely and soundly pointed out that this decline has occurred in a period when we have been boasting about the buoyancy in our economy and all the activities the Canadian Government is engaged in, and at a time when the Government is spending more money annually than ever before in any year of the history of our country.

Honourable senators, if we are serious about our affairs, and I think we are, it is a prime factor for consideration that during this period of expansion, boom or buoyancy, our unemployment insurance resources have steadily dwindled month by month to such a point that the other day the Government had to transfer, or did transfer, by way of loan to the insurance fund a very substantial amount of money—I believe something in the neighbourhood of $19 million or $20 million. Let us face it honestly. Are we coming to the time when this fund will run out, dry up? Shall we have to face the prospect that the treasury will have to supplement the fund? Sometimes I think that in this house and in Parliament as a whole we live in a sort of "never, never land". When old age security was inaugurated, some ten or eleven years ago, the Government of the day came up with what was known as the 2-2-2 formula, meaning two per cent of corporation tax, two per cent of personal income tax, and two per cent of sales tax, earmarked for the Old Age Security Fund. We were assured at the time that until it got organized and going there might be need for some assistance from the treasury to keep the fund solvent. Well, anyone who has followed the experience of this fund knows that it has never been solvent in any single year—unless perhaps this year, owing to some changes made in the rates of contribution to it. We have paid tens of millions of dollars directly from the treasury into the Old Age Security Fund. I am not arguing for a moment that it should not have been done, although I have some reservations on that point. What

I am trying to emphasize to the house is that we are apparently starting the same thing today with the Unemployment Insurance Fund. I contend that it was a mistake last year to amend the Unemployment Insurance Act to the degree we did, in extending the benefits from 36 to 52 weeks and increasing them. I said so at the time. Now, the future of the fund might well form the sum of an inquiry by a committee of this house, when we could approach the matter in a non-partisan way, as we almost invariably do when studying a problem in committee.

There is another matter that I should like to refer to. I listened last evening, as I always do, with very great interest to my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck). The honourable senator advanced a suggestion which is well worth the consideration of this house. I think I know what was in his mind when he spoke. The principle he enunciated is that values created by the community should be retained by the community, and if a formula can be found to do that I am for it. We proceed today by a hodge-podge method. For example, in the city of Winnipeg, if I want to put some improvements on my house, maybe to the extent of $1,000 or $2,000, and give employment to labour and buy materials, what happens to me? The first thing that happens to me is that my municipal taxes are increased. In other words, by this method we tax industry and thrift, if you like.

Then I must say a word or two about the address of my honourable friend from Toronto-Spadina (Hon. Mr. Croll), for whom I have a very considerable respect indeed. If I understood his speech aright, and I read it again today, I think it adds up to only one thing, that Government in some of its forms must accept the responsibility to relieve and cure unemployment. My honourable friend nods his head. I listened with interest, as we all did, to what he said he would do if he found himself out of work. He would raise hell, and he would continue to raise hell until someone did something about it. May I suggest to him that fifty years ago his forefathers and mine would have gone out to look for a job, and if they were hungry they would have taken the first job that turned up. When out of work they would not have turned their eyes to some Government and said "You must rescue us."

There is one other matter that is very important, and it is implicit in my honourable friend's speech. I hope my colleagues will give close attention to this. Is Parliament to accept the principle that it is the responsibility of Government to find jobs for people who may be out of work? That is a very far-reaching question. If every person who is out of a job and whose unemployment insurance runs out looks only to Government for relief, where does that leave us all?

Hon. Mr. Horner: And he must be offered just the kind of a job he wants, too.

Hon. Mr. Crerar: Yes, of course, that is important.

The last thing I want to do is to criticize the Prime Minister, but I thought at the time and I think so now that when he stated publicly on more than one occasion that so long as he was Prime Minister of Canada no person would ever suffer from lack of a job he made an unfortunate statement.

Hon. Mr. Aseltine: That is not correct.

Hon. Mr. Crerar: What did he say?

Hon. Mr. Hnatyshyn: That no one would suffer from unemployment and hunger.

Hon. Mr. Aseltine: He said that so long as he was Prime Minister no one would suffer from lack of any necessities of life.

Hon. Mr. Crerar: Well, what is the difference? That is, in effect, what I said.

Hon. Mr. Aseltine: You said he promised that he would furnish a job for everybody. That was not what he said at all.

Hon. Mr. Farris: How is anyone going to get the necessities of life without a job?

Hon. Mr. Crerar: Is it to be the responsibility of Government to find jobs, to provide work at all times for the unemployed? Let us face it frankly and honestly. I would like to see that problem discussed. I would like to see that principle argued back and forth in both houses of Parliament and in the country. If the answer is in the affirmative, if we conclude that it is the responsibility of Government to see that unemployment is banished from the land, then we must go the further step and consider how we can place our governing authorities in the position where they can discharge that responsibility. I think that is fundamental.

It is possible to cure unemployment. It is possible to bring about a condition of affairs, even in this country, whereby we would have no unemployment. But, if we do this we do it at the expense of liberty and freedom. The choice must come, sooner or later, on that fundamental question. As far as I am concerned, there is nothing I prize more in a democratic society than my freedom and liberty, because I am conscious of the fact that it has been secured to me by struggles down over the centuries. Am I to surrender that?

I do think these things cannot be separated.

I am pretty definitely coming to the conclusion that we have extended the area of governmental activities in this country in far too broad a fashion; that we are creating conditions which in the end, if they continue to develop as they have over the past fifteen years, will make democratic government an impossibility.

I think that country is best governed which has the least government necessary to maintain law and order, to maintain defence, and to see that equity and justice is done between man and man, industrially and in every other way. In order to achieve that kind of government it is not necessary to build a huge bureaucracy higher and higher, and dig ever deeper into the taxpayers' pockets. Eventually such a system will bring about a condition of confusion and even chaos that will find a solution only in some strong-armed intervention.

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

PRIVATE BILL

WESTERN SURETY COMPANY— SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-30, to incorporate Western Surety Company.

He said: Honourable senators, this bill is for the incorporation of Western Surety Company, as proposed by Western Surety Company Limited, which is a company registered under the provincial laws of the province of Saskatchewan. The history of this company goes back to 1909, when Saskatchewan Fidelity and Guarantee Company was incorporated in that province. In the year 1949, when the provincial Government went into the insurance business, Saskatchewan Fidelity and Guarantee Company was taken over, with the result that in that year the former managers of the company incorporated Western Surety Company Limited, and have for over ten years carried on business in Saskatchewan under that name.

The business of the company so far has been limited to fidelity and guarantee insurance, and the name of the company well illustrates the objects and types of business in which it is engaged. The company's main operations have been in the province of Saskatchewan, but it is also licensed to carry on business in Alberta and does some business in that province. As its business has grown it has become desirable to incorporate the company federally to enable it to give more complete service to its clients.

I know from personal knowledge that the company has been well and conservatively managed so far, and if it is incorporated federally it will have no difficulty in meeting the operating requirements established by the Department of Insurance.

I shall not now go into details of the bill, because I intend, if it receives second reading, to move that it be referred to the Banking and Commerce Committee. I would, however, like to draw the attention of honourable senators to section 3 of the bill, which states that the capital stock of the company shall be $1 million, divided into shares of $100 each.

I would also point out that section 7 (1) requires that before the company can commence any business it must have a subscribed capital of $500,000 and a paid-up capital of $240,000. In such event it can only transact the business of guarantee insurance and theft insurance. Subsection 2 of section 7 provides for additional amounts by which the surplus will have to be increased if the company is to carry on the classes of business mentioned in section 6 of the bill.

Until recently Western Surety Company Limited was controlled by McCallum Hill and Company of the city of Regina. That group has a very good name in our province. At the present time some 50 per cent of the interests in the company have been taken up by British interests representing established Lloyds underwriters, but the management is still vested in the Regina group.

With that explanation, honourable senators, I ask that the bill be given second reading.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of Standing Committee of Divorce Nos. 363 to 379, which were presented yesterday.

On motion of Hon. Mr. Roebuck, reports adopted.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING— DEBATE ADJOURNED

Hon. David A. Croll moved the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

He said: Honourable senators, the purpose of this bill is to require lenders and vendors to tell the truth about interest rates and finance charges. In too many instances the consumer who signs a document which places him in debt would have to be a lawyer to understand the fine print that spells out his rights and liabilities, and he would have to be an accountant or an expert in higher mathematics to compute the cost of credit in simple annual terms. Too often he is deceived into paying a higher cost for credit than he has been led to expect.

The borrower's initial interest lies in the clear-cut statement of the total obligation contained in the loan contract, and much of the abuse has arisen from the incapacity of the borrower to decipher the arithmetic of credit contracts. The confusion has been confounded by specious advertising with a combination of charges so intricate that even mathematicians have trouble in arriving at the actual burden on the borrower.

Whatever the interest rate may be, this bill requires that it should be specified on an annual basis. True annual rates run as high as 30 per cent or 40 per cent and are camouflaged in terms of rates which appear modest because they are stated mostly as monthly rather than annual rates. They are further disguised in the form of fees, charges, discounts and the like, all of which make up the true cost of credit to the consumer.

The average consumer cannot make rational choices in a free competitive economy unless he is an informed consumer. The Bank of Canada, in its most recent annual report, speaking of consumer credit, indicates that there was a sharp upswing in consumer credit last year, the largest since 1955. Total consumer credit is now approximately $3 billion, made up in personal loans from banks, credit from finance companies and retail stores. This was an increase of $329 million in 1959, compared with the credit expansion of $205 million in 1958. It was the largest gain since 1955, when the credit increase was $351 million.

Personal loans by chartered banks rose by $168 million and now stand at $779 million. Loans from small loan companies rose by $78 millions and now stand at $479 million. Credit from instalment finance companies, mainly on automobile purchases, increased by $28 million and now stands at $796 million. Credit from department stores rose by $33 million and now stands at $315 million. Credit from other retail dealers rose by $22 million and now stands at $601 million. I have already indicated that the total consumer credit now stands at $3 billion.

The consumer has every right to know what he is getting into. This measure will simply help millions of Canadians who buy on time, borrow from loan companies or use revolving credit, to shop for the kind of credit they want, and to know exactly what the total cost of the article or the new car is going to be. This bill would require that the consumer to whom credit is extended be given in writing two vital pieces of information—the total amount of the finance charges he is contracting to pay, and the percentage that such amount bears to the outstanding balance expressed in simple annual interest. Let me indicate to you what I have in mind by example. On the purchase of a car, let us say, the consumer borrows $1,800 to finance the car. Under the present practice he might be told he would have to pay $59.22 a month for 36 months, including interest at 6 per cent a year. Under this bill he would be told that an investigation fee would be $8 and the interest would be $324, making a total of $332, or a 12 per cent annual rate of interest on the declining balance.

Hon. Mr. Brunt: If life insurance was mentioned would the cost of it be set out separately under the provisions of this bill?

Hon. Mr. Croll: I am giving some examples. I am suggesting what would happen, as I interpret this bill. Take the purchaser of a television set who borrows $180 to finance it. Under the present practice he would be told he would have to pay $11.30 for 18 months, including carrying charges. Under this bill he would be told he would have to pay $23.40 interest, or a rate of 16.4 per cent annually on the declining balance.

On a personal loan of, say, $600, under the present practice the lender might deduct $10 for life insurance premium, and the borrower would likely get $590, and repay $37.53 a month for 20 months. Under this bill he would be told he would have to pay $160.60 in interest, or 31.1 per cent annual rate on the declining balance.

When the Standing Committee on Banking and Commerce of the House of Commons sat in 1956 the firm of Deloitte, Plender, Haskins and Sells, chartered accountants of Toronto, who are known to many members here, made a study for the committee which appears at pages 767 and 768 of the committee's proceedings under date of Thursday, July 26, 1956. I ask permission of the house to file these figures as part of the record rather than reading them, so that the committee will have an opportunity of looking at the record. I have them as Schedules I and II.

Hon. Mr. Macdonald: What are these tables?

Hon. Mr. Croll: They are tables of computation of interest. They take the sum of $100 at 2 per cent per month and, depending on how it is repaid, the amount of interest is indicated. The tables speak for themselves. My purpose in placing them on the record is to indicate to the committee that computation of interest is an intricate process. However, honourable senators will be able to draw their own conclusions from the tables.

SCHEDULE I

Interest and principal repayments of a loan of $100 bearing a rate of 2% per month and repayable in twelve monthly instalments.

	Monthly payment	Interest portion of payment	Principal portion of payment	Principal outstanding
Amount of loan—				$100.00
First month	$ 9.46	$ 2.00	$ 7.46	92.54
Second month	9.46	1.85	7.61	84.93
Third month	9.46	1.70	7.76	77.17
Fourth month	9.46	1.54	7.92	69.25
Fifth month	9.46	1.39	8.07	61.18
Sixth month	9.46	1.22	8.24	52.94
Seventh month	9.46	1.06	8.40	44.54
Eighth month	9.46	.89	8.57	35.97
Ninth month	9.46	.72	8.74	27.23
Tenth month	9.46	.54	8.92	18.31
Eleventh month	9.46	.37	9.09	9.22
Twelfth month	9.46	.18	9.22	—
Totals	$113.46	$13.46	$100.00	$673.28

Average principal outstanding during the year = $673.28 ÷ 12 = $56.11

Charge paid for use of $56.11 for one year $13.46

Therefore charge paid for use of funds — $\frac{\$13.46}{\$56.11} \times 100 = 24$ per cent per annum

SCHEDULE II

Interest and principal repayment of a loan of $100.00 bearing a charge of 2% per month compounded monthly repayable at the end of twelve months.

	Monthly charge	Balance of principal and interest
Amount of loan—		$100.00
First month	$ 2.00	102.00
Second month	2.04	104.04
Third month	2.08	106.12
Fourth month	2.12	108.24
Fifth month	2.16	110.40
Sixth month	2.21	112.61
Seventh month	2.25	114.86
Eighth month	2.30	117.16
Ninth month	2.34	119.50
Tenth month	2.39	121.89
Eleventh month	2.44	124.33
Twelfth month	2.49	126.82
Total of monthly charges	$26.82	

Average principal outstanding during the year $100.00

Charge for use of $100.00 for one year $ 26.82

Therefore charge for use of funds:

$\frac{\$ 26.82}{\$100.00} \times 100 = 26.82$ per cent per annum

This bill would have the effect of restoring consumer sovereignty to the market place, where consumer credit will not be a merchandising tool but a financing mechanism, and where loans are not disguised as sales.

It is not the purpose of this bill to control consumer credit. The consumer is his own best credit manager, provided he has all the facts about the cost of credit. The bill will protect the innocent and the unsuspecting.

The bill rests on three principles:

(1) Because of the widespread use of misleading and deceptive methods of stating the price of credit ordinary citizens find it difficult to make meaningful comparisons and, therefore, intelligent choices of the various credit terms offered to them. Every borrower should have the right to full knowledge of the terms and contents of credit contracts, stated in a uniform and truthful manner. The purpose is not to regulate the level of rates, but that the consumer should know what the rates and charges come to. Surely he is entitled to the truth. Basically, it is as simple as that.

(2) The benefits of effective competition cannot be realized if the buyers, in this case the borrowers, do not have adequate knowledge of the alternatives available to them. This bill would help to invigorate competition in the consumer credit market by requiring a return to price competition.

(3) The rapid growth of personal debt can be excessive because of consumer ignorance of the full cost involved. Consumers are usually their own best credit managers, provided they have a clear understanding of all the costs involved.

I have here a document entitled *Caveat Emptor,* written by Bruce MacInnes. It has a note on it which reads:

It is the purchaser's own business to make sure that he gets what he is paying for. The onus is on him alone. Let the buyer beware!

This is a reprint from *Habitat* published by Central Mortgage and Housing Corporation. I want to read part of it. I could read it all so that it may be on the record. I propose to read one paragraph, and I will ask permission of the house to put the remainder in *Hansard* without being read. Second mortgages are dealt with, and I suggest this should go on the record so that it may be considered.

Hon. Mr. Hayden: It should be read.

Hon. Mr. Croll: Very well, I will read it:

Instalment credit includes all consumer buying and borrowing for which payment is made in instalments. If used wisely it is a tremendous service and is the life-blood of a great industrial system. Without consumer credit, factories all over the country would close tomorrow. But if it is abused on a national scale it has a tendency to inflate prices throughout the whole economy.

A shopper buying on credit has a smaller scope in which to manoeuver. The cost of credit and where his credit is acceptable must be a prime concern. A man with cash in his pocket is interested in only two things—the best quality for the lowest price. Perhaps more important, a man buying for cash will think twice before exhausting that cash.

As a cash purchase, a large portion of the consumer buying for small items can be done at a considerable saving. For the larger purchases such as automobiles and homes most people are not in a position to pay the entire amount in a lump sum. But with a substantial downpayment they can still retain the preferred buyers' position and save thousands of dollars in interest over the long term.

I gather that the house wants me to read this rather than put it on record.

Hon. Mr. Macdonald: Does the honourable senator feel that he should read the entire article?

Hon. Mr. Croll: The article deals with second mortgages in the housing field and is very important. I want it as part of my speech. I am prepared to leave it for your consideration but I want it to appear in *Hansard.* If the house will give me permission I will put it on record.

Hon. Senators: Agreed.

Hon. Mr. Macdonald: Perhaps the honourable gentleman might again explain just what this document is.

Hon. Mr. Croll: The Central Mortgage and Housing Corporation published it in *Habitat,* their house journal, and circulated it to all members of Parliament. This is an article which deals with second mortgages and is of political concern with respect to charges that are made for such things.

Hon. Mr. Macdonald: I am not objecting to it but I am wondering about the practice that may be established. I do not want to prevent the honourable gentlemen from putting this article on record, but it is quite unusual for a member to place in *Hansard* as part of his speech an article written by someone else. I am wondering to what length we might go if we develop such a practice. An honourable senator might take a twenty-page magazine article and say, "I would like to place this on record as part of my speech." I am merely drawing this to the attention of the house.

Hon. Mr. Croll: As a matter of fact, I am not putting the whole article in, but just a few paragraphs that are of interest.

Hon. Mr. Roebuck: Perhaps the honourable gentleman should read the paragraphs so as to avoid any problem.

Hon. Mr. Reid: How many paragraphs are there to be read?

Hon. Mr. Croll: A couple of pages.

Hon. Mr. Roebuck: I think the honourable senator should go ahead and read them.

Hon. Mr. Croll: Very well. I quote:

There is a definite place for second mortgages in the housing field. A good many people are happily living in their own homes today, who would not have those homes but for a second mortgage. Like every other field of human endeavor, however, there is a fringe element in the second mortgage business which is ready, willing and able to exploit human weakness no matter what the cost to the individual.

When a man applies for a mortgage, a lending institution appraises the value of the house in question. They naturally check his credit rating and ascertain by his income and outstanding obligations if he is in a position to meet the monthly mortgage and tax payments. It is generally accepted that a man can apply up to 27% of his income for this purpose without impairing his ability to meet other normal obligations. A few case histories are perhaps the best method to describe the existing situation in the fringe second mortgage market.

In case number one a man wishes to purchase a house for $16,000. With land values being what they are, this would be a realistic average purchase in a large metropolitan area. He applies for a mortgage and the lender is willing to advance him $12,800 on a first mortgage. This leaves $3,200 outstanding which is normally the down payment. The purchaser like most Canadians has been living up his salary and can produce only $1,200. Somewhere he must dig up $2,000 and a second mortgage is often his only solution.

There is a greater variance in the rate for second than for first mortgages, but in the market today the going price is generally an immediate 25% discount plus a nominal rate of 7%, for a three year period. By the term discount it is meant that although he received $2,000 in cash he agrees to

repay $2,667 and to pay interest on that amount. In other words, he is paying a real interest rate of approximately 32% on a non-renewable mortgage that must be paid off in three years.

Hon. Mr. Brunt: Would the honourable senator permit me to interrupt to ask a question? Does not the Canadian Interest Act at the present time require that a true rate of interest be set out in a mortgage such as this?

Hon. Mr. Croll: I think so. My reference is to a discount transaction on second mortgages.

I continue reading:

His payments on the first mortgage would amount to $81.90 plus taxes and on the second mortgage $83.25. If he is able to maintain these payments, at the end of three lean years he has a substantial equity in a house, although he has paid a very high rate of interest for that privilege. It must be remembered that in order to raise the $1,200 downpayment this man scraped the bottom of the barrel. He has taken on added financial responsibilities and he has no emergency fund. He is skating on such thin ice there is the possibility that with any financial reverse he will lose everything.

There is another type of deal which involves a little misrepresentation. In this transaction the purchaser and the holder of the second mortgage, in collusion, suppress the fact that a second mortgage exists at all until the first mortgage has been fully advanced and registered. The reason for withholding the information from the first mortgage lender is the combination of the two mortgage payments would be well over the 27% of his income which would keep him within his ability to pay. Or perhaps the lending institution feels he has too little equity in the house to be a good mortgage risk.

The unfortunate part of this arrangement, apart from its unethical aspects, is the partners in this sub rosa deal are not in the same league. On one side is a shrewd operator in the second mortgage business and on the other a complete novice.

Once again the house sells for $16,000 and carries a first mortgage of $12,800. Ostensibly the purchaser has a downpayment of $3,200. In reality it amounts to $500. To work out this arrangement there is a verbal agreement between the partners. The purchaser signs a blanket second mortgage which will be filled in and registered after the first mortgage funds have been fully advanced. The chicken is ready for the plucking.

At this point in the transaction it is very difficult to imagine what goes on in the mind of the purchaser. Either he is so naïve, he enters into the transaction without understanding the contract or he is contemplating winning a sweepstake within the three year payment period.

With a $500 downpayment he requires $2,700 to complete the deal. This will be immediately discounted the usual 25% and the second mortgage is written for $3,600. The purchaser has explained to the second mortgagee that he is not in a position to make large monthly payments. His partner in the deal, being the good fellow that he is, makes the payments $50.90 per month. His total monthly payments then amount to $81.90 plus taxes for the first mortgage and $50.90 for the second mortgage.

Possibly he is congratulating himself on making a pretty good deal, even though he is paying a very high rate of interest, but he is in for a very rude awakening. His payments on the second mortgage are being consumed entirely by interest and discount and none of the original principal is being reduced. At the end of the three year period he receives a notice that the term of the second mortgage has expired and the principal amounting to $2,700 is now due and payable in a lump sum.

This man did not have savings to give himself an adequate downpayment when he took over the house and with his added commitments there is no reason to believe he can raise the $2,700 now due.

He will no doubt find that his partner is not quite so affable when it comes to making a new offer. He will do business but the purchaser is now in a position where he must meet the terms or face foreclosure proceedings. To obtain a new mortgage he will perhaps be charged a 40% discount which means the reduced amount of $2,700 will now rise beyond the original second mortgage to $4,500. In other words, instead of a reducing second mortgage he has a ballooning type. This man does not own a home. He is the possessor of a bottomless pit.

In addition to this article, I make reference to a clipping from the Toronto *Globe and Mail* of April 28. I quote:

Reports of bonus payments for second mortgages in the Oakville-Trafalgar area brought to light yesterday the case of an Oakville man who was forced to pay effective costs of 87 per cent on a second mortgage for a three-year period.

Then I would quote from an article appearing in the *Globe and Mail* of April 30 and datelined from Peterborough:

Officials of Peterborough real estate, finance and trust companies said today interest rates of up to 81 per cent for three-year second mortgages are common in the area.

Under the bill before the house the consumer would get the greatest protection by the enactment of a simple law which would require that all forms of agreement for consumer credit for amounts charged either as interest or as finance charges must be stated in terms of simple interest on an annual basis.

Consumers should expect to pay a fair price for credit, just as they should pay a fair price for goods they buy. But, just as they are entitled to know the exact nature and price of merchandise they purchase, they are entitled to know the price they pay for credit, in terms they understand. In a high proportion of cases the individual securing credit does not know the actual amount or percentage he is paying. Nor does he realize that our competitive system applies to this field of enterprise as well as to others, and that by knowing all the available sources and their true, comparative interest rates, he might be able to secure credit more advantageously from one source than another.

Under present laws and practices there is much confusion about actual rates and charges, which are expressed in such varying terms that only the most experienced are likely to know exactly how much they are

paying for credit. It is reasonable and fair that different kinds and amounts of credit, with varying degrees of risk to the lender, should vary in cost, and we know that it is sometimes extremely difficult to determine exactly what rate is both adequate to the lender and fair to the consumer. Yet it is traditional under our laws and practices that we fix the maximum rates and charges that can be made by credit agencies. These legal maximums are now the major protection that exists against exploitation of the borrower.

The enactment of this simple requirement for a statement of true simple interest rates would, however, offer such an additional degree of protection that the exact determination of maximum rates and charges would be of less critical importance.

The statement of charges and interest in terms of their equivalent in true simple interest rates, and thus in clearly understandable terms, would make possible effective freedom of choice among competitors, a principle that is traditional in our free enterprise economy.

We depend upon competition to protect consumers against exploitation in many fields of goods and services, but competition can perform this function only when all factors are expressed in clear and comparable terms.

This bill does not tread in unchartered territory. We have legislation today that requires the manufacturer of clothing to show us the kind of materials that are in the piece of goods. We are entitled to know the percentage of wool. We are entitled to know the percentage of the garment that is cotton, Dacron or some other fibre. A similar situation exists under the Food and Drugs Act. Whether we are buying vitamins or cornflakes, the label must tell the buyer just what is in the package or bottle. We now label the products both of animals and the field. This bill requires the labelling of a human product—credit.

There is authority under a dozen acts to label meat, poultry, eggs, dairy products and canned goods. These measures exist for the protection of the buyer to correct abuses that must have existed.

People suffering from the credit virus can no more resist the institutional salesman than the gambling and liquor addict can resist his habit of addiction.

It is too much to expect honest and ethical lenders to self-impose strict rules of full disclosure and use of simple finance rates when competitors are eroding away their business through a multitude of more alluring but misleading methods of stating charges.

This is a labelling bill—it provides for the labelling of consumer credit. Throughout our country glib salesmen are pitted in unfair contests against people of limited means, with little or no sophistication in contract matters, and, in fact, no real defence against unscrupulous dealers. True, these are in the minority—but it is also true they are there.

The contract stands as the only evidence of an agreement. No oral statement of any agent or seller is binding.

The super-salesmen operate because of what the law allows, and this results in garnishment, bankruptcy, seizures, broken homes and debt enslavement. Credit contracts are so complex as to leave the buyer completely in the dark about the annual rate which he is paying on his loan. Very few buyers know or realize the rate of interest they are required to pay; misleading terminology is used and most people are unable to translate the finance charges in terms of actual interest.

Most of us are aware that the cost of instalment buying is pushed up by rebates paid by finance companies to automobile dealers when the dealers place customers' automobile loans with these companies.

There is urgent need for credit labelling legislation in order to contribute to price and production stability, to promote fair competition and to establish grounds for the exercise of consumer sovereignty in the field of credit.

Before taking up the points above, it is necessary to review briefly some of the profound changes that have taken place in the practice of debt financing of consumption in the past decade.

In the first place, the concept of collateral has evaporated. Even in regard to automobiles, long terms and rapid new car obsolescence have rendered the goods small surety for the loan. The resale value of other durables—white goods, TV sets, furniture, etc.—is so low in today's market that no lender considers them as collateral. Their repossession on delinquency is almost universally accompanied by a deficiency balance charge which becomes, of course, a lien on any income or property of the debtor. Hence, credit contracts for these goods constitute little more than an unrecognized wage, chattels or mortgage lien.

I have before me a clipping from the Toronto *Star* of April 6 last, which reads:

> An attack on the "constant barrage of propaganda" urging people to live beyond their means was launched yesterday by Vice-Admiral H. T. W. Grant (ret.), president of the Royal Canadian Naval Benevolent fund.
>
> Admiral Grant, re-elected president at the annual meeting, said this propaganda contributes to many present-day family financial problems.
>
> The fund's claims register showed at one end genuine distress born of unforeseen tragedy and at

the other "outrageous financial difficulties attributable to human errors of the stupidest kind".

"And in between ... we glimpse the modern version of the debtors' prison."

He said that many families with reasonable incomes are "hopelessly in debt through purchases made in the first instance on credit and later financed by a series of loans at truly majestic interest rates."

On May 10 the *Globe and Mail* reported that the same man, speaking here in Ottawa, said:

Vice-Admiral H. T. W. Grant, president of the Royal Canadian Navy Benevolent Fund, said sailors are subjected to a constant barrage of propaganda urging them to live beyond their means.

One army spokesman said these soldiers aren't going into debt over luxuries. Most debts to private loan companies were on household furniture and appliances.

The dispatch goes on to say that hundreds of soldiers are moonlighting, that is, holding extra jobs to make ends meet.

As for moonlighting, one officer said that in Halifax many servicemen work long hours as taxi drivers. In Ottawa, passersby can see uniformed troops working nights as cleaning staff in private offices.

That I have not seen, but the dispatch says it is being done.

In short, consumer credit extensions today are made singly and solely against the lenders' expectations of (1) the consumer's ability to maintain current income, or (2) the lender's ability to exercise command over the borrower's assets via the courts.

To put it another way, in their extensions of credit for consumption lenders are looking first, to the Government's ability to maintain near full employment for surety; and, secondly, are depending on the legal power at their command to tap existing assets in whatever form.

A second concept of consumer credit that has evaporated, except in the case of a few of the very largest retailers, is the seller's responsibility for the loans disguised as sales. The retailer today generally acts as agent for a lender. Typically, the forms filled out by the consumer for the instalment purchase of goods have been furnished the retailer by a lender. All the conditions attending the loan, including a commission or rebate for the retailer, have been set by the financing institution.

Hon. Mr. Isnor: What do you mean by retailer?

Hon. Mr. Croll: I mean the ordinary merchant who sells, say, furniture, takes a contract and turns it over to a finance company.

No longer does the retailer carry the consumer over a period of time as the general store once carried the farmer between seeding and harvesting. As soon as the paper is signed it is turned over to the lending agency. Only the old-style 30-day charge account offered by department stores can in any sense be called a retailer-carrying service, and this is the only form of consumer credit which has not failed to increase.

Hon. Mr. Isnor: I am glad you said that.

Hon. Mr. Croll: I am only relating the facts.

The retail trade press has been using a term for a number of years that best expresses the meaning of consumer credit in our times. They speak repeatedly of "credit selling". Credit selling means two things: selling goods on credit and selling credit as well as goods.

Credit selling is generally recognized as the core of present-day profitable retailing operations for four reasons:

(1) The consumer buying on credit tends to buy higher-priced merchandise—he is easy to "trade-up"—to buy more in volume and to buy more frequently than the cash customer.

(2) The credit consumer does not shop around; he "marries" his seller-lender.

(3) The amount of purchase per credit sale is larger than the cash sale, to more than compensate for the extra overhead of credit selling.

(4) Earnings on credit extensions frequently equal or better the net return from mark-ups on merchandise.

The National Automobile Dealers' Association, for example, reported one year, 1955, that the net profit from most dealers' operations was exactly equal to the small percentage return as a financing rebate to the dealers from the lending agencies to whom they transferred their consumer paper.

Thus, the advertising of debt as a way of life has extended into a national propaganda effort of great proportions. In light of the many-faceted, continuous and mounting sales pressures on consumers to use credit, the rapid expansion of consumer debt is not so surprising.

I have here a cutting from the *Globe and Mail* of May 5 dealing with advertising. This is from a speech delivered by Dr. Emlyn Davies, minister of Yorkminster Baptist Church. on the occasion of the third and final day of the Association of the Canadian Advertisers' convention. Dr. Davies, who is a member of the Board of Broadcast Governors, declared that advertisers are under a dark cloud of suspicion and doubt. He said:

Something of the phony, deceptive, and the false has spilled over into the realm of advertising, and the claims which once were acceptable are no longer heeded, because the essential element of trust has been spoiled.

He went on to say:

> Such values as truth and accuracy are relegated to the background.

Under those circumstances it is a little difficult to resist some of these advertisements about which this house knows full well.

Until a generation or so ago, the vast majority of our urban population had only limited experience with loans disguised as sales. For the most part, their familiarity with short-term indebtedness was limited to automobile financing and personal loans. Furthermore, there was and there still is a stubbornly held folk myth about 6 per cent as a legal limit on interest rates. Sellers of debts are well aware of the existence of this popular delusion about our usury laws. In their statements of finance charges for consumer loans the lenders almost always keep their percentage figures below 6 per cent. They describe their loan charges in such terms as 1½ per cent or 2 per cent a month.

Then, to make matters even more difficult, the time extensions on contracts are running increasingly to odd limits, such as five or eight months, 17 months, 26 months and so on. Under these circumstances, the exercise of consumer sovereignty in the purchase of the service of credit is practically impossible.

I close by saying this, that not since the days of Solon, in the seventh century B.C., has an untutored population been faced with a new medium of exchange in the hands of promoters. In Solon's time it was the introduction of coinage into a barter economy. In our time it is the creation of a deficit-financed purchasing power by signature on a debt contract. Unless and until we provide the means whereby intelligent control can be exercised by the debtor-buyer, the combination of heavy promotion to sell debt, plus the rising cost of debt-financed consumption, poses a perpetual threat to our economy. All this bill asks is that all the cards be put on the table, face up. I hope the Senate will endorse the bill in principle and send it to the appropriate committee for study—I suggest the Banking and Commerce Committee—where we can hear witnesses and have the opportunity of dealing with it at a very early date.

Hon. Arthur W. Roebuck: Honourable senators, I have just a few words to say. I consider it an honour to second the motion moved by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and I congratulate him on what I regard as a masterly presentation of the subject now before us.

It is in the public interest that people do not rush into debt, at least debt that they do not understand. It is laying the foundation of disaster when people sign mortgages and other debt documents which they later will not be able to fulfil. A welter of mortgage foreclosures will do more to precipitate a recession than anything else I know. If my honourable friend from Toronto-Spadina has contributed in any way to a greater reliability and stability of our finances, he will have done a great service.

When my friend asked me to second his motion my mind flew at once to something I hear every morning on the radio, when a honeyed voice invites the unsuspecting listener to the office for the solution of what is called his financial problems. It always reminds me of the spider that invited the fly into its beautiful parlour.

Hon. Mr. Farris: Can you quote "The Spider and the Fly"?

Hon. Mr. Roebuck: I could make an attempt at it:

> "Will you walk into my parlour?" said the spider to the fly;
> "'Tis the prettiest little parlour that ever you did spy."

Then the fly goes up the winding stairs, a stairs that some go up but none come down.

Honourable senators, I will vote enthusiastically for the adoption of this motion.

Hon. Gordon B. Isnor: Honourable senators, until the past few moments I had no thought of expressing my views on this subject. May I say that there is some merit to the bill as it applies to certain types of business, but I disagree most strongly with the last speaker in his compliments to the sponsor of this bill (Hon. M. Croll) on the manner in which he presented the subject. I think it was most unfair to a large number of honest and reliable retailers who treat their customers as honestly as it is possible to do. I feel that he has discredited the merchant who is trying to carry on business in a manner in which we all would like to see business conducted.

True, there are certain finance companies which make contracts—perhaps automobile finance companies are a case in point—and immediately pass those contracts over to certain lenders in the manner described by the sponsor of this bill. But I feel safe in saying that at least 75 per cent of the retailers do not handle their trade agreements in that manner.

Honourable senators, I certainly wish to discuss this subject further, and I will do so if it is referred to the appropriate committee. However, I wanted to express these few

thoughts at this time so that they would appear on the record as soon as possible after the remarks made by the honourable senator who sponsored the bill.

Hon. Mr. White: May I ask the honourable senator from Toronto-Spadina (Hon. Mr. Croll) a question? He referred to certain reports in the newspapers about exorbitant mortgage charges in a township near Toronto and one near Peterborough. I seem to recall reading in the newspapers at that time that through the Attorney General of Ontario something was going to be done by that province. I wonder if the honourable senator had considered whether his motion is perhaps encroaching on something that should be dealt with in the province.

Hon. Mr. Croll: All I know in that regard is that the Attorney General's department for the province of Ontario asked me for twenty-five copies of the bill. I could locate only fifteen copies, which I forwarded. I understand that the province, rather than doing very much itself with respect to people who are getting very high interest rates on second mortgages, is looking to us to do something of a concrete nature.

Hon. Mr. Macdonald: Honourable senators, it was the intention of another honourable senator to adjourn the debate, but he is not at present in the chamber. I feel the debate should be adjourned and I move accordingly.

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 12, 1960

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

Prayers.

LA SALLE-CAUGHNAWAGA BRIDGE BILL

FIRST READING

Hon. W. M. Aseltine presented Bill S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence River at or near the town of La Salle, in the province of Quebec.

He said: Honourable senators, the purpose of this bill is to authorize the Province of Quebec to construct a bridge from a point near the town of La Salle, Quebec, to a point near the village of Caughnawaga, Quebec.

Bill read first time.

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

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Wednesday next, May 18.

Motion agreed to.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, May 17, 1960 at 8 o'clock in the evening.

Motion agreed to.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-348, for the relief of Leslie Robert Stickles.

Bill SD-349, for the relief of Philippe Simard.

Bill SD-350, for the relief of Estelle Caroline Lohnes Antilla.

Bill SD-351, for the relief of Yolande Marguerite Delorme Houde, otherwise known as Yolande Marguerite Delorme Cyr.

Bill SD-352, for the relief of Andree Edmonde Augusta Fontaine Barriere.

Bill SD-353, for the relief of Eleanor Jean Mott Taylor.

Bill SD-354, for the relief of Rose Van Embden Singer.

Bill SD-355, for the relief of Jack Emile Chiarella.

Bill SD-356, for the relief of Elaine Louise Robinson Solkin.

Bill SD-357, for the relief of Gerald Onie Shannon.

Bill SD-358, for the relief of Percival Verna Nathan.

Bill SD-359, for the relief of Valerie Elsie Price Perrault.

Bill SD-360, for the relief of Joseph Edmond Giroux.

Bill SD-361, for the relief of Allen Dwight Westover.

Bills read first time.

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

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

Motion agreed to.

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

REQUEST FOR REPORTS OF MEETINGS

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, before the Orders of the Day are proceeded with might I invoke the good offices of the Leader of the Government in the Senate (Hon. Mr. Aseltine) and, indeed, those of the Leader of the Opposition (Hon. Mr. Macdonald) as well, to the end that the report of the Senate representatives of the Canada-United States Interparliamentary Group which visited Washington during the Easter recess be presented to this house at as early a date as is convenient.

I was particularly interested to read the extract from the *Congressional Record* which was tabled in this house recently. It indicates that matters were discussed which would, I am sure, be of great interest to all honourable senators.

Might I again urge that when the reports which we all await with interest are presented an opportunity be given for any interested honourable senators to discuss matters arising out of the reports. If my recollection is correct, the report of the meeting held last summer has still not been presented. I would ask the two honourable leaders to do what they can to facilitate its presentation.

Hon. Mr. Macdonald: Speaking for myself, I may say I am in complete accord with the suggestion made by the honourable senator from Shelburne (Hon. Mr. Robertson).

Hon. Mr. Aseltine: I concur.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-327, for the relief of Antoni Kubowicz.

Bill SD-328, for the relief of Georg Zechanowitsch.

Bill SD-329, for the relief of Sonia Kwas Cada.

Bill SD-330, for the relief of Stanislaw Wroblewski.

Bill SD-331, for the relief of Jean Ednah Hiltz Dewey.

Bill SD-332, for the relief of Vera Jarvis Lahaye.

Bill SD-333, for the relief of Claire Marie Marchand McGuinness.

Bill SD-334, for the relief of Marie Denise Theberge Duguay.

Bill SD-335, for the relief of Marie Rita Desneiges Trepanier Pelcha.

Bill SD-336, for the relief of Darrell Ashley Conner.

Bill SD-337, for the relief of Gladys Florida Allard Chenier.

Bill SD-338, for the relief of Sonia Floomberg Schaffer.

Bill SD-339, for the relief of Alice Marylyn Archibald Warren Wornell.

Bill SD-340, for the relief of Doris Miller Burke.

Bill SD-341, for the relief of Jacquelyn Gregory Bradley Walker.

Bill SD-342, for the relief of Monica Carolyn Nolan McCullough.

Bill SD-343, for the relief of Aime Albert.

Bill SD-344, for the relief of Renee Helen Engel Graham.

Bill SD-345, for the relief of Florian Poissant.

Bill SD-346, for the relief of Mary Kathleen Potts (Wittingham) Barretta.

Bill SD-347, for the relief of George Herbert Bissessar.

Motion agreed to and bills read third time and passed, on division.

MANPOWER AND EMPLOYMENT

MOTION TO APPOINT SPECIAL COMMITTEE TO CONDUCT STUDY—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine:

1. That a Special Committee of the Senate be appointed to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes; and

(b) the growth and characteristics of the Canadian labour force.

2. That the said committee be composed of the Honourable Senators Blois, Bouffard, Brunt, Buchanan, Burchill, Cameron, Choquette, Connolly, (Ottawa West), Courtemanche, Croll, Emerson, Haig, Higgins, Hnatyshyn, Horner, Hugessen, Inman, Irvine, Lambert, Leonard, MacDonald, Méthot, Monette, Pratt, Reid, Roebuck, Smith (Queens-Shelburne), Thorvaldson, Vaillancourt, Wall, White and Wilson (32);

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

4. That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time.

Hon. R. B. Horner: Honourable senators, I am rising at this time not because I am particularly enamoured of the motion, but because of the many speeches that have been delivered so far in this debate. I might suggest to the honourable senators from Shelburne (Hon. Mr. Robertson) and Inkerman (Hon. Mr. Hugessen) that they consider what a fix we would have been in had we adopted a proposal they once made to the effect that senators be retired at a certain age. We would have missed one of the finest speeches ever delivered in this chamber, the speech made yesterday by the honourable senator from Churchill (Hon. Mr. Crerar). I might also point out that had that proposal been adopted, I would not have been here to bother you with this small effort on my part.

The debate on this resolution has developed into one of moaning about the deplorable unemployment situation in Canada. Without accusing anyone of graft in connection with unemployment insurance, the very fact we have such a thing and the further fact that the benefits under the scheme were extended last year to cover a period of 52 weeks instead of 32, make the whole thing questionable. As the honourable Leader of the Opposition (Hon. Mr. Macdonald) has said, the fund is being depleted. I have in mind a man who was endeavouring to employ help. One prospective employee, who was very ambitious, explained that he could earn a certain amount and then draw unemployment insurance. He said "I really could not go to work for you, because I would be losing money, and I enjoy myself this way."

I personally have asked men from all over Canada about the unemployment situation, particularly in Saskatchewan, which is

supposed to be a poor province, and I don't know of any real unemployment at all. There are people who always have the desire to loaf. They feel they do not need to work and can manage without doing so, and God bless them if they can get away with it. During this debate the honourable senator from Vancouver South (Hon. Mr. Farris) asked how anyone could obtain the necessities of life without having a job. I wonder where he has been these last few years. I know men in my own little town who are living far better than fellows who work hard. "They toil not, neither do they spin." They are on social aid, supposedly not able to work; yet they enjoy themselves, drive good cars, and all that sort of thing.

Honourable senators, among a number of things that bother me is an implied reference in the resolution to a high standard of living. Would someone define that for me? When I was in Germany I asked people if the railroads were busy, and the trucking companies as well, because from appearances they were. I was told that everybody was working, men, women and children, and that everything was going at full capacity. I suppose someone will say, "Oh, but that is not a high standard of living." Well, what is? Is a high standard of living to be gauged by the number of people killed on the highways every weekend? Is it to be gauged by the number of people who go out on the lakes in their boats, some of which are apparently not in very good condition, judging by the frequent reports of casualties? Is the standard of living in Saskatchewan, for instance, to be measured by the increase in liquor sales and the profits that accrue to the province therefrom, which are greater than the total provincial revenue was some years ago? And what about the increase in liquor sales in the province of Ontario? Is that how we gauge a high standard of living?

On Tuesday evening the honourable senator for Toronto-Trinity (Hon. Mr. Roebuck) stated that Goldsmith had written about conditions in which "wealth accumulates and men decay". Allow me to quote the full passage from Goldsmith:

> Ill fares the land, to hastening ills a prey,
> Where wealth accumulates and men decay.
> A bold peasantry, their country's pride,
> When once destroy'd can never be supplied.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Horner: That is what I am concerned with, the calibre of our people, and what our so-called standard of living does to them. Our most valuable asset is the men and women who make up the population of this country. That is of prime importance, and anything which tends to lower and weaken the character and standard of our people is certainly not in keeping with what is in the best interests of Canada. All this ties in with what we hear so much talk about, the man leaning on the Government. The honourable senator from Toronto-Spadina (Hon. Mr. Croll)—I am sorry he is not in the chamber at present—made what I think was an uncalled-for and a very dangerous remark for an honourable senator to make in this house. I can well believe that he, too, might start in to encourage delegations to march on Ottawa. He declared that if he were out of a job he would raise hell. Apparently he wouldn't go out to look for work but would feel that the Government ought to find him a job. I deplore that whole attitude. Honourable senators will recall the closing down of the Elliott Lake project, and the assistance which people from there received from the Government. Why, bless you, all my life out west I have seen people move into large lumber towns and later on find themselves out of work there because all the timber in a certain area had been cut. But did they ever think of appealing to the Government to move them out? No. They made their own arrangements, went out on farms and homesteads and made their living without appealing to the Government. It was people of that type who built this country.

For a long time now I have been talking about the position that we are in. It is nothing new to me. In fact, I have been talking about it for more than ten years, and all the while I have been fearful of what was coming after the devastation caused by the last war, devastation that Canada escaped. When the war ended I thought we would soon be in for a difficult time because of our high cost of production in this country.

Everybody is talking about money, interest on money, mortgages, taxes, but no one will come out and say just exactly what the real trouble is. Eighty per cent of the real trouble is due to labour costs, not so much in wages, but in loss of production per man through shortening of hours, coffee breaks, and so on. That is the great difficulty.

Money is not sent into this country for love. No, it is sent in the hope that it will earn a profit. In spite of the labour and materials that we have here, what is taking place today? Many American companies, and no doubt Canadian companies also, are thinking strongly of establishing plants in Europe and Japan, manufacturing their products there and shipping them back to Canada. Why? Because people in Japan and Germany, for instance, are willing to work more hours per day than our people do.

The honourable senator from Toronto-Trinity said that the increase in land values should go to the community. I would ask how

the owners of land acquired it in the first place other than by saving money to invest in its purchase. I often think about a statement that the Right Honourable Arthur Meighen made when he was in this chamber. He said that we had got to the place, even in those days, where if a man was successful and made money he was denounced and perhaps looked upon as a shady character, but let him steal and get sent to jail and he had the sympathy of the entire community. We are developing that kind of attitude.

Now, so far as I personally am concerned, this debate, whether it has been entirely in order or not, has wandered far afield and covered a great deal of territory. The Leader of the Opposition remarked that the press was encouraging the Senate to proceed with the work proposed to be assigned to this committee.

Hon. Mr. Macdonald: That was true until yesterday.

Hon. Mr. Horner: Well, the Ottawa *Journal* gives little encouragement to us. In fact, I think it was rather harsh in its reference to this motion.

But the fact does remain that we know pretty well what is causing our high cost of production. If in other countries they are paying higher wages, they are getting higher production. They have a set-up through which each man performs or produces more per hour than we do in Canada. The honourable senator from Toronto-Spadina referred to the lumber industry. Let me say that a man working in that industry a few hours a day, cutting logs for pulpwood, can make $24 to $30.

I think of this whole question in terms of what we are going to do with further immigrants. Well, this country is only half settled. I say let us bring them in by the hundreds of thousands, let us bring in people who will be willing to make their homes on farms that have been vacated by those who want an easier life, a five-day week and so on; let us turn these farms over to people who are willing to come and make their living on the land. There are a large number of vacant farms in Canada, and it might so happen that we would be able to interest immigrants to take over many of these farms and work them. As I have mentioned before, there is at a place called Hinton, not more than forty miles from where we are at the moment, a great iron ore mine, and working there are a large number of farmers who abandoned good farms on which they were making a nice living. As workers in the mine they have Saturday free for golf, and no cows to milk on Sunday.

I wonder what we might accomplish through the work of this committee. We already know about the manpower problem. Perhaps we might consider it in relation to the standard of living in this country and conclude that there would be a higher standard of living if many women who are now working stayed at home with their families. It would be better for their families and all concerned. More and more women are taking the place of men in industry.

The thing we have to consider seriously of course is how to lower production costs in every way possible. One important fact to find out would be what amount strikes are costing this country. I think of an instance that occurred about three years ago in Vancouver harbour. There the dockers refused to load grain ships and grain was lying in piles in Alberta. As ships cannot remain idle long, they went to Seattle and loaded American wheat, so Canada lost the sale of 25 million bushels of wheat as a result of that strike. I have suspected that that strike and others were possibly engineered from across the border, or by labour leaders who were not Canadians.

Honourable senators, this debate could be terminated by withdrawal of the motion. After all, it is late in the session now to proceed very far with the proposed inquiry, and so far as I personally am concerned withdrawal of the motion would be satisfactory.

That is all I have to say at the moment.

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

PRIVATE BILL

NORTHERN PIPE LINE COMPANY—SECOND READING

Hon. John Hnatyshyn moved the second reading of Bill S-31, to incorporate Northern Pipe Line Company.

He said: Honourable senators, this bill, intituled "An Act to incorporate Northern Pipe Line Company", is designed to create a corporate entity to apply to the National Energy Board for a permit or permits to construct, own and operate pipe lines for the transmission and transportation of gas, oil and other liquid hydrocarbons within and outside of Canada.

While the plan of organization is not yet in definite form, it is contemplated that the company will have Canadian and United States shareholders of financial and business responsibility as and when it is ready to proceed with a program for financing and constructing pipe line facilities. In the interim, the principal beneficial shareholder is Minnesota Pipe Line Company, a corporation organized and existing under and by virtue of the

laws of the State of Delaware, with its principal office located at Saint Paul, Minnesota. However, the extent of the equity interest, if any, which Minnesota Pipe Line Company may own in Northern Pipe Line Company when the plan of organization is put into definitive form has not been determined, and it will remain an open question until such time as the Northern Pipe Line Company is ready to proceed with its application to the National Energy Board.

Minnesota Pipe Line Company owns and operates a 16-inch crude oil pipe line system extending from a take-off point on the Interprovincial Pipe Line system at Clearbrook, Minnesota, to Pine Bend, Minnesota, a distance of 256 miles. The Minnesota Pipe Line system is currently transporting about 40,000 barrels per day of Canadian crude oil to United States markets. This pipe line system was constructed at an original cost of approximately $12,800,000. The replacement cost as of today would be approximately $16 million.

As and when Northern Pipe Line Company has been incorporated by act of Parliament, it is contemplated that an application will be made to the National Energy Board for a permit to construct a 16-inch, or larger, crude oil pipe line system from a take-off point on the South Saskatchewan Pipe Line system near Regina, Saskatchewan, to a point on the international boundary line between the United States and Canada near Portal, North Dakota, a distance of approximately 153 miles. A rough estimate of the cost of this crude oil pipe line system is $10,500,000.

It is contemplated that the Northern Pipe Line Company would connect with and deliver crude oil and other liquid hydrocarbons to a 16-inch, or larger, crude oil pipe line system to be constructed from a point near Portal, North Dakota, to connect with the Minnesota Pipe Line system at Clearbrook, Minnesota, a distance of approximately 340 miles. This, of course, is all in the United States.

The Northern Pipe Line system would transport and deliver to the United States pipe line system initially approximately 26,000 barrels per day of Fosterton type crude oil now being transported by the South Saskatchewan Pipe Line system from the Fosterton, Dollard and other fields in southwestern Saskatchewan by way of Regina, and initially approximately 12,000 barrels per day of Midale type crude and other types of crude oil now being or to be produced in the fields of southeastern Saskatchewan.

It is further contemplated that the United States pipe line system would also transport initially approximately 20,000 barrels per day of crude oil from fields in the Williston Basin area of the United States for delivery into the Minnesota Pipe Line system. Lateral or branch pipe lines will be constructed to connect the Tioga, Rival, and Lignite fields to the United States pipe line system.

The whole purpose of this bill is to provide more economical transportation for Canadian crude oils to the United States markets and to expand markets for Canadian oil. It is designed mainly for the oil fields in the southwestern and southeastern parts of Saskatchewan, which fields are now quite substantial. We do not talk as much about oil in Saskatchewan as we do about oil in Alberta, but may I say that within the past few years Saskatchewan has been producing more than half as much oil as is produced in Alberta, which is known to be one of the great oil provinces of Canada.

In conclusion may I state that if the bill receives second reading I will propose that it will go to the Standing Committee on Transport and Communications, where all details can be discussed and questions answered. As I stated previously, before any oil is transported by this company, the approval of the National Energy Board must be received.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Hnatyshyn, bill referred to Standing Committee on Transport and Communications.

INTERNAL ECONOMY

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the fifth, sixth, seventh and eighth reports of the Standing Committee on Internal Economy and Contingent Accounts.

FIFTH REPORT

Hon. William R. Brunt, Chairman of the committee, moved adoption of the fifth report.

He said: Honourable senators, in moving adoption of this report I would like to say a few words about Mr. Edward Jennings, the chief of the cleaning staff, to whom the report relates.

Mr. Jennings, who is now 70 years of age, has been advised by his doctor that owing to the state of his health he should retire from the public service. As all honourable senators know, Mr. Jennings has at all times proved to be a most competent chief, devoted to his duty, industrious, reliable and very trustworthy, and he has displayed those qualities required by a person heading the cleaning staff of the Senate.

As of April 1 last Mr. Jennings had 39 years and 109 days of service on the staff of the Senate. He has agreed to carry on his duties until the end of the present session and will

at that time be entitled to his annual leave. The date of his retirement has been fixed at the first day of September next.

Hon. Mr. Macdonald: Do you mean that that is the date when the present session will end?

Hon. Mr. Brunt: No. After the present session he will take his vacation, and then he will continue on the staff until September 1.

Hon. Mr. Thorvaldson: Supposing the session lasts until November, what then?

Hon. Mr. Brunt: Let us be reasonable about this session even though they are running into difficulties about it in the other place.

At the present time Mr. Jennings is receiving a salary of $4,170. His retirement allowance will be $2,530 a year, and as is customary he will receive a gratuity at the time of his retirement. This gratuity will amount to approximately $800.

Report adopted.

SIXTH REPORT

Hon. Mr. Brunt moved adoption of the sixth report.

He said: Honourable senators, this report relates to Mr. Homer E. Facto, a cleaner and helper on the Senate staff. On September 9, 1959 Mr. Facto was 72 years of age. He submitted his resignation on medical grounds, and it is to take effect on August 1 next. Mr. Facto's accumulated years of service as of April 1 last amounted to 22 years and 393 days. He has been an excellent employee, loyal, dependable and industrious. His accumulated sick leave for the period of his employment is 383 days. During all the time that he has been on the Senate staff he has been absent from work only 48 days.

Hon. Mr. Reid: Three hundred and eighty-three days is more than a year. Why not give it in years instead of days?

Hon. Mr. Brunt: It sounds a little longer when you say "383 days" instead of "a little over a year."

At the time of his retirement his salary will be $2,964. His retiring allowance will be only $800, and I will say a word about that in a minute. At the time of his retirement he will receive a gratuity of approximately $900.

The apparent disparity in his annuity is due to the fact that during the early part of his service he did not make a contribution to the superannuation fund, and this part of his service does not count for pension purposes.

Report adopted.

SEVENTH REPORT

Hon. Mr. Brunt moved adoption of the seventh report.

He said: I am sure all honourable senators are going to approve of this particular report, because it relates to someone in this chamber whom we all like very much, our Speaker. In 1956 the allowance to the Speaker of the Senate for entertainment expenses necessarily incurred by him in the discharge of the duties of his office was fixed at $1,500.

Hon. Mr. Macdonald: How much was it before then?

Hon. Mr. Brunt: I have no information as to how much it was prior to 1956.

Hon. Mr. Macdonald: I understand there was no allowance prior to 1956.

Hon. Mr. Brunt: The honourable senator may be quite correct.

Hon. Mr. Macdonald: I was wondering if it was going to be made retroactive.

Hon. Mr. Brunt: No. I would like to have it made retroactive, but I do not think that is possible.

This amount used to be one-half of the amount allowed for the same purpose to the Speaker of the House of Commons. Quite some time ago that allowance was increased to $4,000, and it is proposed to raise the allowance of our Speaker to $2,000 so that it will again be one-half of the amount allowed to the Speaker of the House of Commons.

For the further information of honourable senators I might point out that even though the Speaker has an allowance of $2,000 he is still required to produce vouchers.

Report adopted.

EIGHTH REPORT

Hon. Mr. Brunt moved adoption of the eighth report.

He said: Honourable senators, this report relates to the reporting of Senate *Debates* and committee proceedings. I would like to point out that during recent years the volume of reporting in the Senate and its committees has increased to such an extent that the Senate staff has had to be assisted from time to time by the employment of temporary reporters. The Chief of the Reporting Branch states that with five reporters it is impossible to avoid considerable delay in transcribing the debates. He has, therefore, requested that his staff be enlarged by the addition of one more full-time reporter.

The addition of one reporter will enable the Debates Branch to give a more expeditious service to honourable senators, and to furnish copy to the Printing Bureau promptly so that printers assigned to printing the Senate *Debates* will be working steadily.

It will also enable the Debates Branch to furnish the Bureau of Translations with transcripts in time to permit simultaneous publication of the English and French versions of the debates. Under the present circumstances it is almost impossible to have the two versions printed and distributed on the same day, and the debates are printed in French the day after the English text appears.

The work of reporting committees has been increasing for some years. At times, especially when a number of committees is sitting, it is very difficult to supply reporters for them from the present staff. This difficulty will be overcome with the addition of one reporter to the reporting staff.

Hon. Arthur W. Roebuck: Honourable senators, I would like to make a comment on this matter, and probably this is the time at which to make it. If we have anything like the number of divorces next session as we have this session we shall have to have four courts daily instead of three. In that way we shall be able to dispose of this burden more expeditiously than we are disposing of it during this session, and even though this report is adopted now it may be that next session I shall ask for more assistance in regard to reporting than I am asking for at present.

Here we are, after several months of sitting, well into the month of May and hoping to prorogue at the end of June, and at the present moment we have approximately 100 cases ready for trial.

When we get through these we shall still have about 140, some of which will be proceeded with this session. Perhaps quite a proportion of them will be heard, in which event the Divorce Committee will have been tied to this labour through almost the entire session, which is rather more, I think, than should be required of us. If we can run four courts instead of three we shall handle something like 20 cases a day, whereas now we are handling up to 15. I am just giving notice, as it were, so that it may be thought about in the meantime and not come as a surprise if, as chairman, I ask for provision of a further court at the next session.

I would like to say something by way of compliment to the reporters who have been doing our work. I believe every honourable senator will agree that the reporting work has been done exceptionally well.

Hon. Mr. Macdonald: That includes the reporting done in this chamber.

Hon. Mr. Roebuck: It certainly does. The reporting in this chamber and in committee is exceedingly well done. Since I have sat as chairman of the Divorce Committee I cannot remember any litigant, lawyer or member of the committee requesting that a correction be made in the transcript of the hearing of a petition. Not one. That is remarkable. I would add that the devotion of the reporting staff to the making of a first-class report of our speeches is very commendable indeed.

Report adopted.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 380 to 392, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

CANADA'S CENTENNIAL

DEBATE CONTINUED

The Senate resumed from Wednesday, April 6, the adjourned debate introduced by Hon. Mr. Cameron, who called attention to Canada's Centennial Year 1967 and suggested "that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future".

Hon. John G. Higgins: Honourable senators, on the 6th of April, when my learned and revered friend the honourable senator from De la Durantaye (Hon. Mr. Pouliot) spoke on the matter introduced by the honourable senator from Banff (Hon. Mr. Cameron), the celebration of the Centennial of Canada, I was not aware, and probably none of us was aware, that he was going to raise the question of the sovereignty of Canada to show that Canada is in no way sovereign because she is subject to an act of the British Parliament, particularly because by section 56 of the British North America Act, which was kept in force by the Statute of Westminster, 1931, any act of the Canadian Parliament could be disallowed by the Queen in Council in Great Britain. When I rose to speak immediately after my honourable friend had finished I was therefore without preparation on this question. I said that the British North America Act, in my opinion, was kept outside the ambit of the Statute of Westminster at the request of Canadian statesmen. I could not see how this could be otherwise, because keeping the act in force seemed to be a direct antithesis of the purport and the real meaning of the Statute of Westminster. I find I was right in that

statement. Dawson, in his book *The Government of Canada*, at page 61, writes:

> A special clause stated that the provisions of the Statute of Westminster were not to affect the position of the British North America Act and its amendments, a reservation inserted at the request of Canada in order that the British North America Act should not be amendable by an ordinary act of the Canadian Parliament.

I must confess that after I had finished speaking on April 6 I was somewhat perturbed by doubt as to whether I had depended too much on my memory and should have waited to study the matter in issue before speaking on it, particularly as I was attempting to reply to a learned and erudite scholar and one who is always very thorough in every matter on which he speaks. I had not read through the British North America Act for a long time and while the honourable gentleman was speaking I just managed to glance through the Statute of Westminster. After having read in *Hansard* what I said on that occasion, all I can say is *Quod dixi, dixi*. What I have said, I have said.

It must not be forgotten that convention plays a large part in the constitution of a country, and convention has in a very large degree amended and added to the British North America Act. Canada has a written constitution in the British North America Act, but we must not forget there are other constitutional principles which lie outside the act itself. The act is, of course, of most vital importance, because it joined together the four original provinces and the provinces that came in later, binding the ten provinces, which today compose the Union, in a common tie. Above all, it lays down the division of power between the dominion and the provinces.

The British North America Act is by no means a comprehensive document. Many important matters concerning the government of Canada are not stated or implied in the act and one cannot discover how Canada is run by looking at the act alone. For instance, the council that is mentioned in the British North America Act is not the council as we understand it now. The Governor in Council now means the cabinet, and there is no mention of the cabinet in the British North America Act. Neither is there mention of the highest political figure in Canada, namely, the Prime Minister. Nor does the act say that the Prime Minister and his cabinet must have the support of the House of Commons and that all members of the cabinet, not excluding the Prime Minister himself, must have seats in that body or in the Senate. These are conventions, and nobody can deny that they have what amounts to the power of law. All these are very major omissions dealing with the executive power. One must conclude that Canada is ruled by the act and by convention, and in the running of affairs each is as important as the other. And so it is that the development of the constitution of Canada has been brought about partly by the British North America Act and amendments thereto, but mostly by custom and convention.

When speaking before on this subject I said that the British North America Act should be read in the light of the Statute of Westminster of 1931; and that, as a result of this, the word "Queen" which, in the British North America Act meant the Queen of England, was changed by the Statute of Westminster to mean the Queen of Canada.

There is one exception to this statement, and I must admit that my honourable and learned friend the senator from De la Durantaye is correct when he claims that, according to section 56 of the British North America Act—if that section is in force, I may add—acts of the Canadian Parliament, in strict law, should be sent to the Queen in Council in Great Britain. The words in this section must mean the Queen in Council in Great Britain. He is right in that. But convention comes in again, and I hold that this section is of no effect at the present day. The power of the Queen in Council in Great Britain to disallow acts of the Parliament of Canada still exists as a matter of strict law, but I respectfully submit that this section is now a dead letter.

Dawson, on page 153, under the section "The Development of the Constitution in fields covered by the written Constitution" says:

> Here convention has virtually amended the British North America Act, sometimes changing the nominal operation of the act, on rarer occasions actually rendering the act completely obsolete. A number of illustrations have already been given; but one which has been touched on above may be somewhat elaborated.
>
> In 1867 the act gave the Governor General the power (which, unlike some of the other powers, he was supposed to exercise himself) to reserve certain classes of bills (indicated in his Instructions) for the "signification of the Queen's Pleasure," that is, the assent of the British Government. From 1867 to 1878 some twenty-one bills were so reserved. The result of the Blake correspondence was a change in the Governor's Instructions and the occasions for reservation became very rare, for any difficulties of this kind became a matter of discussion and adjustment between the British and Canadian Governments. Thus those Canadian acts which involved matters of Imperial concern and were now the only ones to be considered would frequently not come into effect until proclaimed, and such proclamation would not be made if no solution of the difficulty could be found. The Imperial Conference of 1926 and the Conference of 1929 went a step further and declared that any interference of the Imperial Government with the legislation of a dominion was no longer in accordance with constitutional practice, and the latter meeting

proposed facilities for deleting the offending clause from the British North America Act. The clause, however, has now by convention become so completely inoperative that no one even bothers about its continued presence in the Act. Thus one practice built upon another has gradually rendered obsolete the legal power and procedure which is laid down in the British North America Act. The clause still remains in the act; but its shining letters have become dull and tarnished like some forgotten name-plate on a door long closed.

The relationship between England and the colonies or dominions was settled from time to time by Imperial Conferences. The position of Canada in its relation with the one-time mother country changed throughout the years, and during and after the First World War the feeling had come over Canada that it had attained such importance and proportions as to be regarded as an independent country, and the other dominions felt likewise. The dominions had determined to become their own masters and finally the matter was brought to a decision at the Imperial Conference of 1926. This Conference issued a formal statement proclaiming the complete equality in status of the United Kingdom and the dominions. The position of Great Britain and the dominions was laid down in these words:

that they are autonomous communities within the British Empire, equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs, though united by a common allegiance to the Crown and freely associated as members of the British Commonwealth of Nations.

The Conference discussed a number of rights implied in the above statements, and one of them was that disallowance of dominion legislation by the British authorities and reservation by the Governor General were declared to be obsolete. A number of legal inequalities were left untouched and the Imperial Conference of 1930 formally re-requested that all these matters should be settled by an act of the British Parliament in accordance with the recommendations made by a body of experts which had been set up by the Conference of 1926. Accordingly, in 1931 the British Parliament passed the Statute of Westminster, which was based on these recommendations.

The Statute of Westminister provided that the Colonial Laws Validity Act, which declared that dominion statutes were void if they conflicted with statutes of the Imperial Parliament, was no longer to apply to the dominions; and that in the future no statute of any dominion was to be declared void because it was repugnant to an act of the United Kingdom; and that no act of the Imperial Parliament was to extend to a dominion unless it declared that the dominion had requested and consented to its enactment.

The Imperial Conference of 1930 resolved that:

the present constitutional position is that the power of disallowance can no longer be exercised in relation to dominion legislation.

Disallowance is therefore no longer of importance. It has ceased to have any effect.

Hon. Mr. Connolly (Ottawa West): Would the honourable gentleman mind repeating what he just said? Did I understand him to say that the end of disallowance was an event that took place at the Imperial Conference of 1930?

Hon. Mr. Higgins: Yes.

Hon. Mr. Connolly (Ottawa West): That was prior to the enactment of the Statute of Westminster as well?

Hon. Mr. Higgins: Yes; but the first step was taken by the Imperial Conferences. It became a convention which has practically the force and power of law, because the dominions could leave the empire if it was not carried out.

Hon. Mr. Connolly (Ottawa West): But if I understand my honourable friend correctly, specific reference was made there to the power of disallowance?

Hon. Mr. Higgins: That is right, sir. The Imperial Conference of 1930 resolved that:

the present constitutional position is that the power of disallowance can no longer be exercised in relation to dominion legislation.

Disallowance is therefore no longer of importance. It has ceased to have any effect.

Now I refer to a dictum in the judgment of Lord Sankey, Lord Chancellor, in the British Coal Corporation and others *vs.* The King (1935) Appeal Cases, 500:

But it is well known that section 7,...

That is the section of the Statute of Westminster which keeps the British North America Act outside the statute.

was inserted at the request of Canada and for reasons which are familiar. It is doubtless true that the power of the Imperial Parliament to pass on its own initiative any legislation that it thought fit extending to Canada remains in theory unimpaired; indeed the Imperial Parliament could, as a matter of abstract law, repeal or disregard section 4 of the statute but that is theory and has no relation to realities. In truth Canada is in enjoyment of the full scope of self government. Its legislature was invested with all necessary powers for that purpose by the act and all the statute did was to remove the two fetters which have already been discussed.

I shall now turn to another great constitutional writer, one of the best-known constitutional writers of this day, Mr. Kenneth Wheare. In his book *The Statute of Westminster and Dominion Status,* on pages 122 and 123, he says:

The task before the Conferences of 1926 and 1930 has been made clear. It can be seen what was

meant by the Conference of 1926 when, having declared that "equality of status, so far as Britain and the dominions are concerned, is thus the root principle governing our inter-imperial relations", it declared immediately thereafter that in practice "existing administrative, legislative, and judicial forms are admittedly not wholly in accord" with this position. The reason for this disconformity between the declaration of 1926 and certain existing forms of law and convention is also now apparent. It results from the historical fact that, in the words of the Conference of 1926, "most of these forms date back to a time well antecedent to the present stage of constitutional development". At the same time it has been seen that there existed by 1926 considerably less constitutional inequality than a study of the mere legal forms would suggest. Usage and convention had operated, in some cases, to modify or nullify the workings of strict law. Thus the power of disallowance had been rendered inoperative, the refusal of assent to reserved bills had been made conditional upon consultation and consent of the dominion concerned, the exercise of the supreme legislative power of the United Kingdom Parliament in respect of a dominion had been made conditional upon request or consent of that dominion, and the exercise of the Crown's prerogative in foreign affairs in respect of a dominion had become subject to consultation and consent of the dominion concerned. And so on. There was, therefore, nothing catastrophic in the declaration of the Conference of 1926 that Great Britain and the Dominions were "equal in status, in no way subordinate one to another in any aspect of their domestic or external affairs". To a large extent this declaration represented a generalization from the practice which usage and convention had established in the years which had succeeded the establishment of responsible government in the colonies. The declaration was in great measure a recognition and definition of the existing position. But it was more than that. It was itself a statement not merely of a usage but of a convention; not merely, that is to say, of a usual practice, but of an obligatory rule. It laid down not merely that the powers of strict law had, on the whole, been exercised in accordance with a convention of equality, but that the powers of strict law henceforth must be exercised only in accordance with that convention.

Now, let us note how he deals with section 56 of the B.N.A. Act. On pages 126 and 127 he says:

The inequalities which arose from disallowance and reservation, on the other hand, were dealt with by the Conferences of 1926 and 1930 in recommendations which combined the declaration of constitutional conventions with the envisagement of legislative action by the dominions or by the United Kingdom if and when it was considered advisable. The Conference of 1926 began by laying down a general convention in relation to disallowance and reservation in these words:

"... Apart from provisions embodied in constitutions or in specific statutes expressly providing for reservation, it is recognized that it is the right of the Government of each dominion to advise the Crown in all matters relating to its own affairs. Consequently, it would not be in accordance with constitutional practice for advice to be tendered to His Majesty by His Majesty's Government in Great Britain in any matter appertaining to the affairs of a dominion against the views of the Government of that dominion."

The Conference of 1929 studied the nature and extent of the powers of disallowance and reservation in the dominion Constitutions and made recommendations upon them in the light of this declaration adopted by the Conference of 1926. These recommendations were adopted by the Conference of 1930.

On pages 127 and 128—

I regret, honourable senators, that my quotations are long but I think they are very important and I would sooner give them as they are in their real vigour rather than emasculate them by trying to give them in my own words.

On pages 127 and 128. Wheare says:

In respect of disallowance the convention was recognized in 1930 that "the power of disallowance can no longer be exercised in relation to Dominion legislation". This was clearly in accordance with the above proposition that no advice should be tendered to the King by the United Kingdom Government against the views of the Government of the dominion concerned. To adopt this convention was to nullify the power of disallowance, but it was not to abolish it. It was agreed, therefore, that those dominions which possessed the power to delete disallowance from their Constitutions were at liberty to do so, by following the prescribed procedure, while in the case of those dominions which did not possess this power "it would be in accordance with constitutional practice that, if so requested by the dominion concerned, the Government of the United Kingdom should ask Parliament to pass the necessary legislation." There was one qualification to be added to this conclusion. Where a dominion had taken advantage of the provisions of the Colonial Stock Act, 1900, and had placed on record, in accordance with the third of the rules of the United Kingdom Treasury, a formal expression of its opinion that its legislation in certain circumstances might properly be disallowed, "the right of disallowance in respect of such legislation must remain and can properly be exercised."

I understand that is to protect investments which were made under the Colonial Stock Act.

On page 194 and 195 he says:

Consider next the inequalities which arose from the existence of the powers of disallowance and reservation. The power of the Sovereign to disallow legislation by the Dominion Parliament was found in section 56 of the British North America Act, 1867. Before the passing of the statute that power had been nullified by the declaration of a constitutional convention in 1930, but it had not been abolished. Nor had the Dominion Parliament power to abolish it. At the same time it had been agreed in 1930 that, if so requested by the dominion, the Government of the United Kingdom would ask Parliament to pass the legislation necessary to abolish the legal power. What effect had the statute? It made no alteration in the legal position, for the increased powers which it conferred on the Parliament of Canada did not extend to an alteration of the British North America Act, 1867. Nor did it alter the conventional position, for the terms of the preamble similarly did not extend to the alteration of the British North America Act, 1867. The legal power of disallowance remained, therefore, as strong after the passing of the statute as it was before. The position was governed by convention alone. By convention the power could not be exercised; and by convention the United Kingdom Government would ask Parliament to abolish the power, if the dominion so requested. To this it must be added that, when the power of disallowance was abolished, Canada could take advantage of the

alternative arrangement in respect of dominion securities made possible by the Colonial Stock Act, 1934.

Now we turn from convention to strict law. If Canada desired to abolish section 56 there would be no necessity of going to the Imperial Parliament. By the British North America Act of 1949 (2) the Parliament of Canada was given power to repeal the disallowance clause in the British North America Act. At any time Canada can pass an act doing away with section 56. I submit therefore that the disallowance clause, this section 56, has no effect at the present time and it is entirely nugatory, and that the British North America Act was kept in existence merely for the purpose of regulating the rights and the duties between the provinces and the federal authorities.

In view of what I have said, I am astounded to learn from the honourable senator from De la Durantaye (Hon. Mr. Pouliot) that the statute book of Canada is sent every year to Great Britain in accordance with section 56.

On page 507 of *Hansard* of April 6 the honourable senator said, in answer to a question of mine:

> I thank the honourable senator for his interruption, and I agree that Her Majesty the Queen is designated or described as the Queen of Canada at the present time. But section 56 of the British North America Act has not been changed since Confederation, as my honourable friend knows very well. The only difference now is that the statute book for each session is not, as formerly, sent to the British Government by the Clerk of the Parliaments, who is the Clerk of the Senate, but by the Secretary of State for External Affairs. The same procedure is followed, the only difference being that it is another gentleman than the Clerk of the Parliaments who sends our statute book to the Colonial Secretary in England. The fact that it is sent by Canada to the United Kingdom remains the same, and as long as that is done, whether Her Majesty the Queen is called the Queen of Great Britain, Ireland and her other possessions beyond the seas, or the Queen of the United Kingdom and of Canada, makes no difference at all. Our statute book is sent by one of our cabinet ministers to the British Government, and my honourable friend knows it very well.

Hon. Mr. Reid: May I ask one question? Does my honourable friend's argument apply to section 99, having to do with judges? In the preamble to the notice of motion standing in the name of the leader of the Government (Hon. Mr. Aseltine) it is stated that the matter will be placed before the British Parliament.

Hon. Mr. Higgins: I do not think it would apply to that section. Under the act of 1949 Parliament can pass an act to annul section 56 of the British North America Act. But the act still stands.

Hon. Mr. Thorvaldson: You mean the Canadian Parliament can do that?

Hon. Mr. Higgins: Yes, the Canadian Parliament can annul section 56. But up to the present time the British North America Act has been kept intact, because it is still a charter between the federal authorities and the provinces, and that charter cannot be interfered with. The question of application to the British North America Act as a whole is a difficult one to answer, but I am sure the Canadian Parliament, under the act of 1949, can repeal section 56. As to how the British North America Act can be repealed, I am not sure. The reason why the British North America Act was kept out of the ambit of the Statute of Westminster was that the British North America Act is the only charter which lays down the relations between the dominion and the provinces.

My honourable friend from De la Durantaye in his remarks on April 6 last suggested that I knew all about section 56. I had not the slightest idea that the procedure required by that section was being carried out, and I may tell you that I was surprised, shocked and outraged to learn that such was the case. This is an extraordinary state of affairs. Someone seems to have blundered. What reason is there for sending our statute book to the British Government? Because of the conventions made by various Imperial Conferences, the British Cabinet cannot disallow any act of the Canadian Parliament.

Hon. Mr. Roebuck: Does the procedure do any harm?

Hon. Mr. Higgins: No, it does no harm. I am wondering if the sending of these statutes to Great Britain is done to inform her of acts passed here, and whether the British Parliament sends its statutes to us.

I am wondering if our statute book is sent over there in accordance with section 56. If that is so, then some individual or some department is attempting to negative the sovereignty of Canada. Such procedure is a denial of the sovereignty of Canada. Indeed, the individual who adopts this procedure is committing an act of treason against the sovereignty of Canada.

Hon. Mr. Aseltine: Is it not just a free exchange of statutes?

Hon. Mr. Higgins: That is my point. If it is just a free exchange of statutes, then it is not a procedure under section 56. If it is done under section 56, it is done under compulsion and the matter should be inquired into. By what authority or by what tradition is it done? If it is by compulsion, that is wiped out by the convention of 1930, and certainly by the Statute of Westminster.

Hon. Mr. Roebuck: Perhaps we are sending them a sample of our wisdom and are showing them how a country ought to be run.

Hon. Mr. Higgins: Yes, but what about section 56?

When we refer to the sovereignty of Canada, and we say sovereignty is vested in the Dominion Parliament and the various provincial legislatures, we begin to wonder which is the sovereign power, considering that each acts within its own limit. The federal Parliament cannot be the sovereign authority, because it cannot pass any law it wishes. The various provinces have their rights, and I do not think my learned friend would even suggest that these rights should be curtailed so that the Parliament of Canada might be supreme. Of course the provincial legislatures cannot be sovereign because they can only deal with certain matters, but these matters the federal authorities cannot touch.

If the B.N.A. Act does not exist, what method is there that would settle the rights between the federal authorities and the provinces? Who will decide this method or charter, call it what you will? Will it be the Parliament of Canada acting alone? Will it be the Parliament of Canada with the consent of the provinces? And if one province objects, what will be the result? Can nine provinces tell the federal Parliament to abrogate certain provincial rights? And must the remaining province which objects sit back and say nothing? On the other hand, can one province refuse to abide by the wishes of the other nine? I am afraid that if the British North America Act is taken away Canada may find it difficult to provide another charter to take its place.

There is not the slightest doubt that if Canada wants the repeal of the British North America Act carried out, or any amendment made, this will be done as a matter of course.

Dawson, in his book, *The Government of Canada,* at page 148, explained the position clearly. In speaking of the situation brought about by the attempt at a Dominion-Provincial Conference in 1935 to provide a remedy for some change in the act, which was dropped because of the opposition of New Brunswick, he says:

> The scheme came to grief over the apportionment of clauses among the different amending authorities, which was, of course, the crux of the matter. It need scarcely be added that if a solution is found, the most relieved body will be the British Parliament. The present system imposes on it a thankless task, one in which it has no responsibility, but which may at any time expose it to criticism and attack from a dissatisfied province. "As a matter of mere legal machinery" said the British Solicitor-General with weary resignation, "it is still necessary, until some better method is evolved for amendment of the British North America Act, for the extension of the Canadian powers to be passed by this Parliament. But our Parliament, in passing such legislation, is merely carrying out the wishes of the Dominion Parliament and in that way the legal position is made to square with the constitutional position... We must operate the old machinery which has been left over at their request in accordance with their wishes."

If anyone wishes to explore this position further I would suggest that he read the interesting brochure *How Parliament Functions,* by E. Russell Hopkins, Parliamentary Counsel of the Senate.

Let me sum up the situation:

(1) The power of the Queen in Council to disallow acts of the Parliament of Canada still exists as a matter of strict law.

(2) The Imperial Conference of 1930 resolved: "That the present constitutional position is that the power of disallowance can no longer be exercised in relation to dominion legislation". By this convention disallowance became a dead letter.

(3) Discussion regarding disallowance as affected by convention is now really only a matter of academic interest because by the British North America Act 1949 (2) the Parliament of Canada can repeal section 56 of the British North America Act. It can therefore be annulled or got rid of without asking the British Parliament to act.

(4) As the Parliament of Canada can get rid of this so-called inequality whenever it wishes to do so, and there is the very strongest convention against its exercise as long as it exists, there is no possible ground for the view that in this matter Canada is subordinate to the United Kingdom.

As section 56 is now ineffective and useless there is no reason why it should not be done away with. There is no necessity of having it on the statute books.

When one goes to the trouble of perusing the British North America Act he there finds staring him in the face that anomalous and innocuous section 56, dead as a dodo but, apparently, still full of life and vigour, shining forth today in print as bright and clear as a statute of today. It is a reminder of the time when Canada was subservient and not, as today, free, independent and sovereign. It may be that the honourable senator from De la Durantaye is right. Perhaps it should be cut off from the body politic and thrust into the limbo of dead and forgotten things where it belongs.

On motion of Hon. Mr. Beaubien, for Hon. Mr. Vaillancourt, debate adjourned.

The Senate adjourned until Tuesday, May 17, at 8 p.m.

79955-1—37½

THE SENATE

Tuesday, May 17, 1960

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

Prayers.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

Bill read first time.

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

Hon. W. M. Aseltine: Honourable senators will remember that this is one of the bills that we expected to be ready for consideration by us when we returned from the Easter recess. My understanding was that when it reached this house we would, without further delay, commence the debate on second reading. The honourable senator from Ottawa East (Hon. Mr. Choquette) is sponsoring this bill, and he is ready to go ahead with second reading this evening, with leave of the Senate.

Hon. W. Ross Macdonald: Honourable senators, I, personally, have no objection to proceeding with the motion for second reading of this bill this evening, but that does not mean that the discussion on second reading must necessarily be brought to a conclusion this evening. As the Leader of the Government (Hon. Mr. Aseltine) has said, this is a bill which we came back to discuss on May 3. I do not know who is responsible for our getting it two weeks late. However, the bill has arrived, and so far as I am concerned I am prepared to allow the discussion on second reading to commence this evening.

Hon. Mr. Crerar: Is this to be a precedent?

Hon. Mr. Brunt: No.

Hon. Mr. Choquette: With the leave of the Senate, I move the second reading now.

Hon. Mr. Macdonald: Before the honourable senator from Ottawa East (Hon. Mr. Choquette) commences with the discussion of this bill may I ask the Leader of the Government if copies of the bill have been distributed?

Hon. Mr. Aseltine: I understand that copies have been distributed, although I do not appear to have one on my file.

Hon. Mr. Macdonald: A number of honourable senators have intimated they are not prepared to discuss the bill without having seen a copy of it. I wonder if there is sufficient urgency to require us to proceed with the explanation on second reading tonight?

Hon. Mr. Aseltine: This bill was passed by the other house on Friday last.

Hon. Mr. Macdonald: That is why I thought copies of the bill would have been distributed in this house by now.

Hon. Mr. Aseltine: They should have been. What would be wrong with having the honourable senator from Ottawa East explain the bill at this time? It consists of only two or three sections, and after his explanation the debate could be adjourned.

Hon. Mr. Macdonald: I am afraid it might establish a precedent if we were to proceed with the second reading tonight, particularly when there is no urgency. If there were some urgency about this legislation I would not hesitate for one minute to recommend that consideration on second reading be proceeded with now.

Hon. Mr. Farris: What is the difference?

Hon. Mr. Roebuck: One procedure is according to our rules and the other is not.

Hon. Mr. Macdonald: A number of honourable senators have intimated they are not prepared to proceed with the second reading of the bill without having seen a copy of it. If they insist on this point of view I do not know what we can do except postpone consideration on second reading until the next sitting.

Hon. Mr. Aseltine: Under these circumstances, if that is the will of honourable members, I would ask that the bill be placed on the Orders of the Day for second reading next sitting.

Hon. Mr. Crerar: That is better.

Hon. Mr. Aseltine: Does that satisfy honourable senators? Or perhaps now I could ask that we begin debate on second reading later this day, because I believe the bill is ready to be distributed.

Hon. T. A. Crerar: Honourable senators, I for one definitely object to the procedure proposed by the Leader of the Government (Hon. Mr. Aseltine). We were told before the Easter recess that we had to hasten back in order to deal with this measure. Personally, I strongly suspected it would not be here when the Senate's sittings were resumed, and

therefore I postponed my return for a week. The bill received third reading and was passed in the Commons last Friday and has not yet been distributed in this house. Even if the bill were received by us this evening, since it is an important matter I think honourable senators would like to study it a bit. At least, I should like to do so. After all, what is the urgency? After the bill has received third reading and been passed, the chances are it will not be given the royal assent until the end of the month.

There is no urgency about it. I suggest to my honourable friend the Leader of the Government that we should at least show some respect for the rules of the house. It is asking quite a bit of members of this house to expect us to listen to an explanation of a bill that is not even before us, when no reason for urgency has been given.

Hon. Mr. Macdonald: Honourable senators, I doubt if any time would be lost if we considered the bill tomorrow. If all members of this house have an opportunity to peruse the bill tomorrow morning it is possible the bill might receive second reading in the afternoon.

Hon. Mr. Brunt: Hear, hear.

Hon. Mr. Crerar: That is all right.

Hon. Mr. Aseltine moved that the bill be placed on the Order Paper for second reading at the next sitting.

Motion agreed to.

TRANS-CANADA HIGHWAY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-57, to amend the Trans-Canada Highway Act.

Bill read first time.

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

Hon. Mr. Aseltine moved that the bill be placed on the Order Paper for second reading on Thursday next.

Motion agreed to.

RAILWAY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-61, to amend an act to amend the Railway Act.

Bill read first time.

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

Hon. Mr. Aseltine moved that the bill be placed on the Order Paper for second reading on Wednesday, May 25.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled the following:

The *Canada Gazette*, Part II, Statutory Orders and Regulations 1960, Wednesday, May 11, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

The First and the Final Communiqués, dated 3rd May, 1960, and 13th May, 1960, respectively, of the Meeting of Commonwealth Prime Ministers held in London, England.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 393 to 417, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, I would like to call attention to report No. 417. I do not wish to debate it now, but will do so on my motion for concurrence.

Report No. 417 is a petition by Dorothy Nora Alice Hurst Earle. I call attention to it for two reasons. On a number of occasions I have referred to the really remarkable unanimity of the committee of which I have the honour to be chairman. At the moment I do not remember a single report that we have ever made since I have been chairman of that committee—and that is six years now —which was not a unanimous report. So I call attention to this petition because it was not passed unanimously by our committee.

The second reason why I call attention to it is that the petition was based, not on the usual ground of adultery, but on the ground of desertion.

Now that is all I wish to say tonight, because I would like all honourable senators to know that that particular petition is on the table at the moment and may be read by anyone who is interested.

Hon. Mr. Farris: Did the committee recommend a divorce?

Hon. Mr. Roebuck: The committee recommended against a divorce, recommended that it be not granted.

Hon. Mr. Choquette: Why was the petition accepted for filing in the first place?

Hon. Mr. Roebuck: Because from time immemorial, and I think you will find it mentioned in the Bill of Rights of William and Mary, a citizen of the country has the right to petition Parliament for anything he likes on any ground he pleases. That does

not mean that Parliament must grant the petition, but anybody has a right to petition the Crown. It is fundamental constitutional law that any citizen can file a petition asking for a divorce on any grounds he pleases or no grounds at all.

Hon. Mr. Macdonald: Is the petition to which you are referring the only one which is based on grounds other than adultery?

Hon. Mr. Roebuck: You mean the only one among those now before us?

Hon. Mr. Macdonald: Yes.

Hon. Mr. Roebuck: I believe another petition has been filed more recently. I know nothing of its particulars as yet.

Hon. Mr. Brunt: Has the honourable senator knowledge of any petition filed prior to the present session for divorce on the ground of desertion only?

Hon. Mr. Roebuck: You mean at any session?

Hon. Mr. Brunt: Yes.

Hon. Mr. Roebuck: I have knowledge of only one such petition. I recall one petition which was made by a wife on the ground that her husband was incurably insane. That would be about three sessions ago.

Hon. Mr. Croll: It was a petition by the husband.

Hon. Mr. Roebuck: I am corrected. It was a petition by the husband on the ground that his wife was incurably insane. I understand that doctors were called to prove her incurable insanity, but when they heard about it they discharged her as cured. That ended the petition. To add to the interest in the story, the wife, having gained her freedom, applied to the Senate for a divorce against her husband, and it was granted.

Hon. Mr. Brunt: On the ground of adultery?

Hon. Mr. Roebuck: On the ground of adultery.

Hon. Mr. Macdonald: In what province does the petitioner in the present case reside?

Hon. Mr. Roebuck: In the province of Quebec.

The report will be open for discussion tomorrow. As I said in opening, I have no desire to debate it at the moment. I shall move for the adoption of the report which denies the petition. As chairman of the committee I am a good enough democrat and loyal enough to my committee to stand by its decision, but I am not going to hide my light under a bushel when the subject comes up for discussion.

Hon. Mr. Farris: Which side are you going to be on tomorrow?

Hon. Mr. Roebuck: My honourable friend will have to wait until he hears what I have to say.

Hon. Gunnar S. Thorvaldson: Honourable senators, I feel there are some other things that should be said in regard to the statement just made by the honourable Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck). I think there is another side to this question which should be given to the house at this time.

Hon. Mr. Croll: Would the honourable gentleman leave something for the debate tomorrow, when the matter comes up in the ordinary way?

Hon. Mr. Thorvaldson: I think this ought to be said now, and I will be brief.

I was a member of the committee to which the chairman referred, consisting of 15 persons, and the vote in committee, as I recall it, was 12 to 3. This was not a matter of considering a petition for divorce and deciding that it should not be recommended. Instead, this was an instance in which we were merely asked to consider the form of a petition. And as I understand it, the committee decided, by the majority which I indicated a moment ago, that inasmuch as the petition disclosed no cause of action for divorce, the petition should not be heard.

Consequently, I disagree entirely with the view that the committee decided against granting a divorce, because the petition and the facts alleged in the petition were never heard. In my view at least it was a case where the committee decided not to hear the petition because, as we thought, it disclosed no cause of action.

Hon. J. W. deB. Farris: Honourable senators, I appreciate what my friend from Toronto-Trinity (Hon. Mr. Roebuck) has suggested about not discussing this petition tonight. However, I ask the indulgence of the house because I hope to be in Vancouver at this time tomorrow night. With the consent of the house I would like to say a few words.

Hon. Senators: Agreed.

Hon. Mr. Farris: When the proposed extension of grounds for divorce was before us under a bill sponsored by the present Leader of the Government (Hon. Mr. Aseltine) I supported it, and I would support such a bill now if one were brought in again for the purpose of determining a policy for the country. But it seems to me that this is a very different thing. As long as we have in this country the accepted rule that adultery is the only ground for divorce, I do not think there

should ever be any breach of that rule piecemeal, such as would be done in a case of this kind. I think some day a bill like the one to which I referred will be placed before us again. When that happens, let us fight it out on the broad principle and lay down a policy for the country; but let us not do it piecemeal.

Hon. Mr. Brunt: Hear, hear.

Motion agreed to.

MEETING OF COMMONWEALTH PRIME MINISTERS

FIRST AND FINAL COMMUNIQUÉS

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That, the First and Final Communiqués, dated May 3, 1960, and May 13, 1960, respectively, of the Meeting of Commonwealth Prime Ministers held in London, England, tabled this day, be printed as an Appendix to the *Debates of the Senate.*

Motion agreed to.

See appendix to today's Hansard, *pp. 595 to 597.*

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-362, for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.

Bill SD-363, for the relief of Claire Ruth Rubins Lyons.

Bill SD-364, for the relief of Stanislaw Przybyla.

Bill SD-365, for the relief of Ian Church Wood. (Annulment)

Bill SD-366, for the relief of Marie Hariette Claudette Boisvert Beaudry.

Bill SD-367, for the relief of Arthur Edward Parker.

Bill SD-368, for the relief of Owen John Lummis.

Bill SD-369, for the relief of Ronald Norman Hogg.

Bill SD-370, for the relief of Roy Walter Williams.

Bill SD-371, for the relief of Barbara Doris Jennings Fitzgerald.

Bill SD-372, for the relief of Christine Nancy Littleton Cohen.

Bill SD-373, for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.

Bill SD-374, for the relief of Kazimierz Romanowski.

Bills read first time.

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

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

Motion agreed to.

SPECIAL COMMITTEES

APPOINTED IN LAST TEN YEARS

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. What Special Committees have been appointed by the Senate during each of the last ten years and what was the object of each one?
2. Who were the Chairmen and the Deputy Chairmen of the said committees?

Hon. W. M. Aseltine: Honourable senators, the answer to this inquiry is as follows:

1950

Special Committee on Human Rights and Fundamental Freedoms. Hon. Senator Roebuck, Chairman.

Special Joint Committee on Old Age Security. Hon. Senator King, Joint Chairman.

Special Senate Committee to review the Constitution and Functions of Senate Standing Committees. Hon. Senator Hayden elected Chairman at first meeting. No further meetings held.

Special Committee to examine Legislation and Other Matters. Hon. Senator Farris, Chairman.

1951

Joint Committee on Combines Legislation. Hon. Senator Beaubien, Joint Chairman.

1952-53

Special Committee on the Sale and Distribution of Salacious and Indecent Literature in Canada. Hon. Senator J. J. Hayes Doone, Chairman. Following the death of the Hon. Senator Doone, Hon. Senator J. C. Davis was elected Chairman.

1954

Joint Committee on Capital and Corporal Punishment and Lotteries. Hon. Senator Hayden, Joint Chairman.

1955

Joint Committee on Capital and Corporal Punishment and Lotteries. Hon. Senator Hayden, Joint Chairman.

Special Committee on Traffic in Narcotic Drugs in Canada. Hon. Senator Reid, Chairman.

1956

Joint Committee on Capital and Corporal Punishment and Lotteries. Hon. Senator Hayden, Joint Chairman.

Special Committee on Legislation or Other Matters. Hon. Senator Hayden elected Chairman. No further meetings held.

Special Joint Committee on the Federal District Commission. Hon. Senator Gershaw, Joint Chairman.

1957

Special Committee on Land Use in Canada. Hon. C. G. Power, Chairman, Hon. G. Turgeon, Deputy Chairman.

1957-58

Special Committee on Land Use in Canada. Hon. C. G. Power, Chairman.

1958

Special Committee on Land Use in Canada. Hon. Arthur M. Pearson, Chairman. Hon. Henri Bois, Deputy Chairman.

1959

Special Committee on Land Use in Canada. Hon. Arthur M. Pearson, Chairman. Hon. Henri Bois, Deputy Chairman.

Special Joint Committee on Indian Affairs. Hon. Senator Gladstone, Joint Chairman.

1960

Special Committee on Land Use in Canada. Hon. Arthur M. Pearson, Chairman. Hon. Henri Bois, Deputy Chairman.

Special Joint Committee on Indian Affairs. Hon. Senator Gladstone, Joint Chairman.

Note: It is not a general practice of Senate committees to appoint deputy chairmen. In the absence of the chairman, an acting chairman is elected.

STATUTES OF CANADA

NOTICE OF INQUIRY

Hon. Jean-François Pouliot: Honourable senators, may I revert to Notices of Inquiry?

I am not to read questions and answers which appeared in the *Hansard* of the House of Commons of December 5, 1940, nine years after the Statute of Westminster, but I would refer to them and to the five answers given by the late William Lyon Mackenzie King, then Prime Minister of Canada and Secretary of State for External Affairs. I would like to know if after each session the Statute Book is sent by anyone in the Government of Canada—

Hon. Mr. Aseltine: Will the honourable senator place his inquiry on the Order Paper for the next sitting or for some time later on?

Hon. Mr. Pouliot: I will gladly do so.

Hon. Mr. Aseltine: I will take this as notice of his intention to do that.

See pp. 767-8.

CANADIAN BROADCASTING CORPORATION

UKRAINIAN PROTEST AGAINST PROGRAM

On the Orders of the Day:

Hon. William M. Wall: Honourable senators, before the Orders of the Day are called, and with the unanimous consent of the honourable members of this house, I would like to speak briefly about events connected with the television program *L'Affaire Schwartzbard,* which is currently being televised by our public agency, the C.B.C., on its French network, in a series entitled *En Votre Ame et Conscience.*

I make this explanatory statement with a feeling of deep and sincere regret, but the matter has received extensive press coverage and it has been raised in the other house on two successive days in the form of questions to the responsible minister. I will try to make this statement in a reasonable and dispassionate manner so that you may understand better the events which led to a protest being telegraphed to the President of the C.B.C. by the National Executive of the Ukrainian Canadian Committee on May 9th, and why this and other protests were made, and why some 800 Canadians of Ukrainian extraction were so deeply touched, offended and hurt that they were prompted to stage a protest march in Montreal on Sunday, May 15.

L'affaire Schwartzbard is a film presentation of four instalments of a famous court trial held in France in 1927. It is claimed that this dramatic presentation reproduces authentically, and without any bias, the events in the trial of the man who assassinated Simon Petlura, the President of the Ukrainian Republic in exile, who is, to the Ukrainians, a national hero whose memory they hold in very high esteem.

Rightly or wrongly, and I appreciate the fact that we are dealing with a dramatic presentation, the Ukrainians feel that this presentation distorts historical facts because all of the proceedings of this trial were not given equal treatment in the dramatic presentation in question, with the result that Simon Petlura, his Government and the Ukrainian armies under his command are made to appear, directly or indirectly, responsible for the unfortunate anti-Semitic pogroms which took place in Ukraine and in Byelo-Russia during those tragic and chaotic years of 1919 to 1920, the years when the Ukrainian Republic was being systematically liquidated

by the armed attacks of her many enemies, and especially by the Bolshevik armies from the north.

In other words, honourable senators, Canadians of Ukrainian descent feel that the basic content of this particular program is painfully distressing, offensive, and repugnant to them because of the unfair bias or slant in its content, for, as honourable senators will readily understand, although the presentation may be authentic to the extent that it is based upon actual court records, as R.T.F. and the C.B.C. contend, it may also be biased or slanted if equal or adequate prominence is not given to all of the court records. This is the point at issue, and this has led to what may be legitimately interpreted as an unfortunate affront to a large group of Canadian citizens. I saw personally the second instalment, and its very evident bias perturbed me a great deal.

I accept in good faith the explanation of the C.B.C. that when this series *En Votre Ame et Conscience* was purchased from Radiodiffusion-Television Française the management was not aware of the fact that this particular program had raised a storm of protest in France in 1958. I do not know how or why this particular problem was overlooked during the negotiations for these films, or during the C.B.C.'s acceptance of them on delivery. However, I make no other comment in this regard. But, with almost 500,000 Ukrainians in Canada I fail to see why in the previewing of these films by competent and knowledgeable C.B.C. officials this one should not have been appraised more carefully in the light of what must be a C.B.C. tenet of basic policy, namely, that a public agency, which is also supported by Canadians of Ukrainian extraction, must not be used to damage in any way the feelings of security and belongingness on the part of any minority, no matter how small.

Surely somebody should have asked himself the question: "Might this film damage in any way the ideological and spiritual unity we are all striving so anxiously to achieve and to extend?" Whoever previewed and released this film should have known that this kind of program might have unfortunate repercussions. If those persons did not know, they could have asked people who did know. Of course, the C.B.C. did not deliberately want to offend or to insult the Ukrainians in Canada, but the hurt is there even though it came through what one might excuse as a technical default, an oversight or plain bungling.

Protests were lodged after the showing of the first episode of this particular program, and the C.B.C. chose to continue the series, with the addition of an explanatory note at the beginning and conclusion of each episode. The C.B.C. has also offered to put its microphones at the disposal of impartial observers for the purpose of establishing the true historical facts in which this affair took place.

Personally, I hope that the representatives of the Ukrainian Canadian Committee or other impartial observers who might be expected to avail themselves of this invitation will treat it with dignified neutrality. Whatever damage has been done is done, and I see no point in probing any further into this whole problem area, especially through the facilities of a public agency such as the C.B.C.

After the conclusion of the episodes in this particular court drama, let us hope that the distress and the indignation that have been aroused will soon quieten down, and let us further hope that the C.B.C. will benefit from this instructional experience and check most carefully in the future into the content of all its programs to prevent the recurrence of incidents which I have reluctantly and regretfully brought to your attention this evening.

EXTERNAL RELATIONS COMMITTEE

POSTPONEMENT OF MEETING

On the Orders of the Day:

Hon. Gunnar S. Thorvaldson: Honourable senators, before the Orders of the Day are proceeded with may I inform the house, particularly the members of the Standing Committee on External Relations, that the meeting of the committee which was scheduled for tomorrow morning at 10 o'clock, as announced under the heading "Meetings of Committees" in our *Minutes of Proceedings,* has been postponed to a later date. It was intended that the Secretary of State for External Affairs would appear before the committee to review the present role of Canada in international affairs. I am sure honourable members appreciate how difficult it would be for the minister to do so under present circumstances, and consequently the meeting has been postponed.

MANPOWER AND EMPLOYMENT

MOTION TO APPOINT SPECIAL COMMITTEE TO CONDUCT STUDY—DEBATE CONTINUED

The Senate resumed from Thursday, May 12, the adjourned debate on the motion of Hon. Mr. Aseltine:

1. That a Special Committee of the Senate be appointed to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of

maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes; and

(b) the growth and characteristics of the Canadian labour force.

2. That the said committee be composed of the Honourable Senators Blois, Bouffard, Brunt, Buchanan, Burchill, Cameron, Choquette, Connolly, (Ottawa West), Courtemanche, Croll, Emerson, Haig, Higgins, Hnatyshyn, Horner, Hugessen, Inman, Irvine, Lambert, Leonard, MacDonald, Méthot, Monette, Pratt, Reid, Roebuck, Smith (Queens-Shelburne), Thorvaldson, Vaillancourt, Wall, White and Wilson (32);

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

4. That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time.

Hon. John J. Kinley: Honourable senators, in rising to take part in this debate may I say at the outset I favour the resolution now before the house. It is timely and will give rise to interesting discussions and provide worth-while information. It is to be hoped that after the committee has concluded its deliberations it will be able to bring forth beneficial conclusions with respect to this very important subject of the trends in manpower requirements and utilization in Canada.

The resolution deals principally with unemployment and all its implications. An undertaking of this broad subject is a big order indeed. As I recall it, special committees in Parliament have usually dealt with single issues concerning income tax, narcotics, land use and so on. This resolution, however, deals with every feature of our economic and industrial life. It seems to me that it is a subject that can well be left to a committee of the Senate. A study and inquiry of this magnitude could almost reach the proportions of a royal commission. I think this is all right, for I remember years ago when setting up similar committees it was said to be unwise to have royal commissions appointed to investigate these matters when they could be successfully investigated by the Senate, and much more cheaply and perhaps more intelligently and with greater effect.

I understand that the resolution before the house was conceived by the honourable Leader of the Opposition (Hon. Mr. Macdonald) and introduced by the honourable Leader of the Government (Hon. Mr. Aseltine). This being so I believe we can take it that the study will be on a non-partisan basis. I think that is salutary. I have no doubt that it will be a full inquiry, that witnesses will speak the truth and that we will get a full picture of a subject about which there is a great difference of opinion and a great deal of concern.

Some honourable senators have expressed the thought that this special committee will not prove beneficial, that a royal commission has dealt with this subject and that we are not in a position to bring forth anything of real advantage. In the May 14th edition of the *Financial Post* I find this statement:

"Ottawa has finally made up its mind to make one serious effort to discover where the Canadian economy is heading. A Senate committee is to examine the outlook for employment in Canada. This is the sort of thing the Senate does best."

I take that as a compliment to the Senate. It indicates what we are capable of in our committee work. Incidentally, when I was a comparatively young fellow in the other house I always had great respect for what Senate committees were able to achieve. The article continues:

"The new inquiry should follow the same sober and serious path as last summer's Senate committee study of inflation. Indeed, it may become Part II of the post-mortem on the boom.

"It is not by chance that employment and unemployment have been picked for the inquiry. This is always the aspect of business affairs to which governments are most sensitive."

The big problem is to find out whether we can create more jobs, especially the kind that create more wealth. I think we can take it at the outset that there is no one action or thing that can cure unemployment in this or any other free country. The cure will have to come from team effort such as that which produces winning football teams or something of that kind where all the participants combine their efforts and energies to bring about a worth-while conclusion in every respect. I think we have to approach this enquiry in a tenacious manner, with strength and vigour, and I have confidence that our committee will do a good job.

The bigness of our country and all our natural resources and everyday achievements are to Canada's credit. The vast resources of our country were dramatically brought to our attention in the Banking and Commerce Committee only a few days ago, when men of experience and ability appeared before us with the idea that they were going to supplement the mining interests in Labrador and northern Quebec and to spend $200 million on that project. They did not come especially on account of their mining interests, but to get a common right over a railway

so that they could efficiently carry their product to the seaboard. I felt that was a lesson to us on the future of our natural resources.

I recall that last session one of our committees met to discuss water power in British Columbia. The representatives who came here did not do so to gain any privileges with regard to the immense water power project, but rather in order to bring before us a feature of taxation. However, it was an enormous project involving millions and millions of dollars. Such a project must surely give us confidence in our great country, because we realize that it is a country with a wonderful future, and that the problem of unemployment, even if it cannot be cured, can be helped by the consideration of intelligent men.

We all remember the pipe line debate. Our committee did not take so long to decide about the matter. However, it became a dazzling matter and somewhat disturbed the people of Canada, who no doubt wanted to take a second look at it. An election took place and the Government was defeated. It went down in action, as a good government should do. I believe everybody is fairly satisfied now. The storm has subsided, and I think considerable employment will result. Also, we shall be able not only to use oil and gas from the pipe line in Canada, but to export it to the United States. Surely this will be beneficial to Canada.

When I was in the House of Commons some years ago, a period which was not so affluent as the past decade has been, we talked of these matters in committee and we said that if we produced more oil and iron Canada's economy would be so balanced that our country would be very prosperous. Now we have oil and iron in abundance. I recall that in those days Alberta defaulted on its bond issue for a time, but in the past ten years employment has increased in that part of the country where more oil is produced than in any other part of Canada.

Honourable senators, may I put forward two ideas on how increased employment can be achieved, so that they will appear in *Hansard* for consideration if this resolution is adopted? Anyone who, like myself, is interested in industry and hires employees will tell you that his trouble is never with the skilled man, but always with the unskilled man, who comes in and goes out with the tide and has to get a job wherever he can. The unskilled man is the one who is always in trouble and unemployed. I think the first step toward curing unemployment is proper education for our youth so that when they are employed in industry they will have a know-how and be able to perform the job they are hired to do. The old system of apprenticeship was good. It came down to us from Britain. Before the war there was quite a good system of apprenticeship in this country, but with the hurry and dislocation of things generally it has largely died out. I think there should be apprenticeships and technical training. In some countries boys are sent to school for a week and work in a factory for a week, alternately, and in that way they learn how to do things. We should have night schools and more schools of training throughout Canada that will prepare young men for jobs in industry. I do not consider it is important for such students to learn Greek and Latin. Of course, knowledge of these languages is an adornment which goes with higher education and is very nice to have. But I do believe that every boy in this country should learn the two languages of Canada. The world is getting smaller, and as one travels he learns to appreciate the advantages of knowing at least two languages, and if he can add other languages it will be to his further advantage.

The matter of being efficient in industry brings to my mind something of local interest. Some months ago, M-G-M of Hollywood were looking in Canada, the United States and Europe for a place to build a replica of the *Bounty*, the famous British ship on which there was a mutiny in the South Seas. They want the boat for use in a moving picture, they decided to build it at Lunenburg, my native town. Work on the boat is going ahead there and I understand she is to be finished in August. There are two shifts working, one in the evening and one throughout the day. She is to be a square-rigged sailing ship, luxuriously fitted, and will have bathrooms. She will be equipped with twin engines of good power. The rigging will be done in Lunenburg, where her sails also will be made. I might add that the crew will be recruited down there to take the vessel to the rendezvous in the South Seas where she will start to perform the work for which she is intended.

When industry comes to your door in this manner, employment is created, and one has something to be proud of. Long years ago, since Lunenburg is a centre in the forefront of the fishing and marine industry in Nova Scotia, our men learned the skills that are necessary for shipbuilding which is hard to get done in any other part of the country. I am saying this, honourable senators, because I think the first step for a man to take toward avoiding unemployment is preparation for a certain kind of work. In that way he will have

self confidence and knowledge, without which he will not find opportunities and will be in a somewhat helpless position.

There is one feature about the employment situation in this country that might give us some concern, and that is that although production is increasing the number of people employed is not increasing to the same extent. Another feature is that any increase in employment is not taking place in the industrial production groups but rather in associated industries. For instance, the gains in employment that were made during the past ten years were made in finance, insurance and real estate—the service group. Construction, mining and manufacturing figures of employment are away down. We are told that one man in four in Canada today is employed in manufacturing. On the base of 1949 equals 100, statistics show that the province of Alberta leads Canada with an employment index of 155, while Nova Scotia is at the bottom with an index of 96.

In this country today there is a decided trend toward an increase in the number of women employed in industry. At the end of the Second World War 85 men out of 100—excluding the Services and boys under 16 years of age—were employed in industry, and 25 women out of 100. Today there are 81 men and 27 women out of 100 respectively. I think it is a splendid thing that women are being employed in industry. Of course, they cannot be employed in heavy industry and their employment therefore runs to light industry. They do a job well and they are loyal. A female worker is not as permanent as a male worker, and with women there is not the trouble that is experienced with male workers when they become old in their employment and the problem arises of how to deal with them. I am told that today fewer men are applying for work and many cannot get it. On the other hand, more women are seeking work and can always get a job. That speaks well for the women.

But there is one question about all this: How far should we carry the idea of married women being a permanent part of industry in this country?

Hon. Mr. Roebuck: Why should they not be?

Hon. Mr. Kinley: Well, it seems to me that a woman's function is to raise a family. She is responsible for the upbringing of youth, and if a child is neglected in its home during its infancy and youthful years—well, I do not think I have to say anything further than that. A married woman has one of the biggest jobs in the country right in her own home. We are often told that women do not have the same chance as men in business and industry, and yet they can do the work that men can do. Well, I am reminded of the old saying, "The hand that rocks the cradle rules the world."

In dealing with the problem of unemployment, consideration must be taken of the Canadian winter. It is quite a detriment to employment. Our lakes and rivers freeze over; indeed, the whole country freezes over. There has always been a lag in employment in the wintertime in Canada. However, attempts are being made these days to try to create more employment in winter, and these efforts are succeeding to some extent.

In February of this year there were 10.7 per cent of the labour force unemployed, generally, in Canada. I am told that 5 per cent is about normal. But a free country cannot expect to have total employment. There are some men who do not want to work, and there are frictional features that cause men to shift from one place to another. Besides, there is the interest of the workman himself. All this shows that we cannot have full employment the year round.

We are told that unemployment insurance claims should be a good barometer of the number unemployed in a country. We are all thankful for unemployment insurance. Do not forget it is paid for by the worker and the employer, and to a certain extent by the Government, and it is very important that the interests of all three be guarded. It seems to me that the provisions of the Unemployment Insurance Act and its amendments have made it rather vulnerable to the idea that it is a good act when you do not want to work. In order for a man to be eligible for unemployment insurance benefits he must be out of work and be employable. I fear that under that provision you will find some people who should not be drawing insurance are perfectly within the law in doing so. It appears to me that unless there is some new taxation or a new way of stabilizing the fund we shall be getting to the point where there won't be money to satisfy the demands on the Unemployment Insurance Fund, even in a normal period.

It may be that unemployment insurance is a little too attractive and it is probably used in cases—I won't mention any here tonight—which the committee could investigate. I do think that the committee should give attention to the uses and the benefits of unemployment insurance in this country.

A lot of people tell us that the premium on the Canadian dollar is a great hardship to industry in this country and that we could have much more external trade if Canada's dollar was on a par with the American dollar and other currencies. Well, it is comforting to have one's own dollar the highest

dollar value in the world. However, the value of the Canadian dollar is coming down. The premium is now about 2.75 per cent, whereas a few months ago it was around 5 per cent or 6 per cent. I think it would be a good thing to have our dollar in balance with the American dollar, but I would not like to have it come about by reason of some weakness in our dollar; I would rather see it come through a strengthening of the value of the American dollar.

Canadians who work for a salary or a wage know that the dollar they receive is worth more than any other dollar in the world. What they do with the money is another matter. If they choose to buy goods outside the country they get the benefit of the premium on the dollar. We are told that the premium on our currency is detrimental to export trade. Well, it may be to a certain extent, but I think our larger companies are strong enough to set their own price in Canada before they ship their goods. For instance, the newsprint and pulp and paper people claim they are at a disadvantage at the present time. However, it will be remembered that a few years ago there was a great clamour in the United States about the prices Canadians were charging for their paper. While some companies may lose when the dollar is at a premium, others benefit by it.

We hear a great deal said about the losses of the manufacturer in this country. Let me remind you that the Canadian manufacturer buys so many component parts in the United States, and so much of what he sells in Canada comes from the United States, I am sure he is bound to benefit to a degree when our dollar is at a premium. I think it works both ways. We should not worry much about whether or not the dollar is at par, so long as it stands in the open and is a free dollar. Let us not forget that one reason why our dollar is now at a premium is that there are big investments in this country by American interests. While the Americans are developing resources in this country and bringing equipment into it, they are at the same time importing many articles here and paying for them with their own money. It seems to me that is the best kind of import we can have.

Honourable senators, we hear a good deal also about tight money. Consumer credit has obviously increased very rapidly in this country. Last year I believe it advanced some 20 per cent. The honourable senator from Toronto-Spadina (Hon. Mr. Croll) has before the house a bill which shows—I won't say inequities—the way in which lenders use some citizens who make small loans for consumer purposes. The interest rate is high. I commend to honourable senators the reading of the bill, because it explains better than I can what is involved in the problems of credit today.

It may be that this country is expanding and going ahead so fast that we have not capital enough to keep apace and we should call a halt. As you know, it is always well to hold your position and not get into deep water. It is well to be independent of your banker, if you can, and control your own interests. When you do that you lead a better and a safer life.

Honourable senators, I do wish to say a few words about the Atlantic provinces. I have in my hand a copy of *Labour Research* containing a graph of the unemployment situation in Canada as of February 1, 1960. It shows Ontario as the finest province.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Kinley: I am glad to hear my honourable friend from Toronto-Trinity say "Hear, hear."

Hon. Mr. Roebuck: You are just finding out?

Hon. Mr. Kinley: My honourable friend is a distinguished member of this house, with a vast amount of experience. He comes from the city of Toronto, that wonderful city whose progress is like a romance in industrial expansion. He lives on the Niagara peninsula, which I have been told is the finest spot in all the world.

However, I was much surprised to hear the honourable senator from Toronto-Trinity, while speaking in this debate the other day, quote some words from Goldsmith's *The Deserted Village* and refer to present conditions of great hardship and poverty. I am sure he does not wish us to associate the province of Ontario with *The Deserted Village*. Ontario is a splendid example of the progress of democracy; it is an area that has gone ahead rapidly and it demonstrates what can be done by intelligent people. We in the Maritimes admire Ontario, but we also envy her. Our envy springs from the fact that she is so good. Rather than quote the words of Goldsmith, "wealth accumulates and men decay," I think my honourable friend should look to these words of the Psalmist: "The lines are fallen unto me in pleasant places; yea, I have a goodly heritage."

Let me point out that the graph to which I referred earlier shows the unemployed as a percentage of labour supply. In the Atlantic provinces it is 18.3 per cent; Quebec, 15.6 per cent, and Ontario, 6.7. These figures rather surprise me. I did not realize the

unemployment situation in the Atlantic provinces was as bad as the graph would indicate. We are in an area where there is no freeze-up, where our great harbours at Saint John, Halifax and St. John's are free from ice and the waterfronts appear busy. As I say, I thought the employment situation in the Maritimes was good, but evidently we are worse than anywhere else in Canada.

Hon. Mr. Thorvaldson: Maybe there is something wrong with the figures.

Hon. Mr. Kinley: The figures come from a reliable source.

Hon. Mr. Smith (Queens-Shelburne): The situation is even worse than the figures indicate.

Hon. Mr. Brunt: It couldn't be.

Hon. Mr. Smith (Queens-Shelburne): Come down and see it.

Hon. Mr. Kinley: I hope that when the question of unemployment is before the special committee of the Senate on manpower some attention will be given to the problem in the Maritime provinces. True, it costs money to create employment, but we are a large country and we are sending money far afield. We have plans for development here and there, and I don't object to all this, if we can afford it.

Let me give you an illustration of the problem the Maritimes have in competition with Ontario. I am a manufacturer in Nova Scotia, and I know that as soon as they get an over supply of an article in Toronto it is dumped on the Maritime market. Our freight rates from the east are very high. For some years I was a member of a committee in the other house in which we discussed freight rates. There we heard about an arrangement in the United States whereby a company which was manufacturing in a remote area was given a special freight rate, on an equalized basis, to compensate him for his long haul from the source of supply. Under such an arrangement all the manufacturers in such a remote place were given an equalized freight rate until they were strong enough to compete with factories near their source of supply.

It occurs to me that if we could arrange with the Canadian National Railways system that it would make Ste. Rosalie Junction, in Quebec, the equalization point for freight rates, the Maritimes would then be in a position to meet competition.

Hon. Mr. Pratt: May I ask my honourable friend a question? He refers to the equalization of freight rates in the United States. Was that arrangement extended to the manufacturing industry in order to regulate cost of manufacture, or was it an arrangement that extended right across the line, to the benefit of the consumer?

Hon. Mr. Kinley: It was made with a view to giving the manufacturers an equal opportunity to compete.

Hon. Mr. Pratt: It applied only to factories?

Hon. Mr. Kinley: It applied only to articles used as component parts in the manufacturing industry.

Hon. Mr. Pratt: Thank you.

Hon. Mr. Euler: May I ask the honourable senator if it is not a fact that the Maritimes have special freight rates?

Hon. Mr. Kinley: Yes, but they are so complicated and there are so many of them. They should be simplified so that the ordinary man can understand them. As they are now it is only the man who is in a special business who can invoke the lowest rates. It would be so much better if they were simplified.

Hon. Mr. Euler: But are they not of some assistance?

Hon. Mr. Kinley: Well, they are not of much assistance to me, except when I get a trucker who will compete with them, and in that case when I tell them the rate that I am quoted I sometimes prevail.

Hon. Mr. Pratt: If they were of assistance in the same way as the Crowsnest Pass rates are of assistance in the west, then they would count for something.

Hon. Mr. Brunt: I understand that these subventions apply to all rates, including agreed rates and special rates. They apply across the board.

Hon. Mr. Kinley: I think you will find them rather complicated.

However, there is another matter which I think should be taken up by this committee, and that is the merchant marine. That is one industry in this country which must go out and face the world on a competitive basis, and we have given the coastwise trade of our merchant marine away to other countries. We offer it absolutely no protection. In other countries the merchant marine has protection and is subsidized. The United States gives its coastwise trade to its own nationals, and in Europe that trade is subsidized. The men who work on foreign ships get only half as much as the Canadian sailor. You might say that the Canadian gets too much, but should not a man who goes to sea in a ship get as much as a man who works on the shore? The St. Lawrence Waterway has been built and it is now possible to go to the head of the lakes by ship. There are many people who are interested in this matter, and

it is now a big question with us in Nova Scotia. It seems to me that there will be a greater opportunity for the merchant marine if it can be put on a basis which will enable it to operate in competition with the shipping of other countries.

Nova Scotia was great in the days of seagoing. All the greatness that Nova Scotia had was due to her operations on the sea, but that has gone. I think that the coastal service of the merchant marine is a matter which must be taken up by Parliament and I will endeavour to have representation made to this committee in the interests of the merchant marine of the Maritime provinces.

Honourable senators, I have taken up more time than I intended, but may I just mention that we have talked about different reports that have been made. There are some features of those reports to which I do not subscribe, and I do not think anybody else does, but I would like to mention the report of the Rowell-Sirois Royal Commission. I regard that report as one of the finest reports made up to the time of its publication, and I recommend the reading of it to the members of this committee. It gives a picture of industry in every section of Canada.

I am happy to be able to support this resolution, and I hope that the committee will be as successful in its endeavours as have other committees in the past.

Hon. Donald Smith (Queens-Shelburne): Honourable senators, I did not intend to speak on this resolution tonight. As most of you know, I have not been in close touch with what has been going on in this chamber for the last several weeks, but since my return today I have had a chance to make a rather quick skimming of the debate that has taken place on this resolution, and some questions have been raised in my mind about certain aspects of the motion. Also, some suggestions have arisen in my mind to which, in this early stage and before the committee is set up, I think some thought should be given by those who may form that committee.

In the first place, I want to join with the honourable senator from Toronto-Spadina (Hon. Mr. Croll) in wondering—if that is the proper word—why the committee should include practically all the Conservative members of this body and omit the wisdom and the great judgment which has been gained over many years by such a person as the honourable senator from Churchill (Hon. Mr. Crerar), and I could mention many more. It does seem to me that we who sit here as Liberals are accused of being political in our attitude toward such committees as this. On the surface, at least, it has that effect on my thinking, and, of course, nothing can be further from the truth.

There was considerable concern last session when the Standing Committee on Finance was instructed to examine the subject of inflation, and I know that the main concern was centred on the fear that the Liberal members of that committee would make, or attempt to make, political capital out of the inquiry and the report. I do not think any member of this chamber can say that any such thing was done by any member of that committee.

If, when we get into committee, our terms of reference, and eventually our report, are going to be restricted in such a way as to cause us to fail to bring about the kind of discussion and produce the kind of report that this house must bring forth once in a while, and which the country needs so badly once in a while, then I think it would be a very tragic thing.

I am making no special protest against the composition of the committee. I have great respect for the judgment of the members who support the Leader of the Government in this chamber, the names of all of whom I read on the list of proposed members. I know that they as individuals will not be anything but fair-minded, and I hope that my judgment will be supported by all other members of the Senate when the committee gets its work under way and when it makes its report.

I am glad that my colleague from Queens-Lunenburg (Hon. Mr. Kinley) has made some reference to the Atlantic region. After he started to speak and had reached a certain point on this topic I sent to my office and had brought down to me some notes which I had sketched out with respect to this subject, and which contain some information on the regional aspect of unemployment and employment, to which I believe the committee should give almost a priority.

I am not one of those who go around pointing out how serious the unemployment position is in my province, or in any other province, but for the record I want to say that in February, in the Atlantic provinces, there were 132,000 people drawing unemployment insurance. Those honourable senators who know what our population is will realize that that is not 10 per cent of the labour force; it is getting close to 10 per cent of the population of the Atlantic provinces.

The honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) asked the honourable senator from Queens-Lunenburg whether these figures were exaggerated. Let

me tell him that a great many people who come from my part of the country do not have the kind of employment which qualifies them for unemployment insurance, and therefore they do not even claim unemployment insurance. For instance, a farmer has a little wood lot and he and his two sons and perhaps an uncle cut a little pulpwood during the winter months. They never can qualify for unemployment insurance. As a matter of fact, I don't think they would want to. All they really want is a chance to get in there during the winter and cut the pulpwood, with the knowledge that there will be a market for it. You might say that this is seasonal employment. We have what I think is generally recognized as a rather early spring in that part of the country, particularly in the southern part of the province from which I come. It is spring down there in early April, and about the time of year when I go to my home golf club to play a little golf. As a general rule the snow has disappeared. This year, on April 7, there were still 116,000 people in the Atlantic provinces drawing unemployment insurance.

I am not emphasizing the unemployment factor but I am disturbed about the lack of employment opportunities. Our people may be considered old-fashioned and my honourable friend from Queens-Lunenburg has made some reference to that fact here tonight—but I do not think our people are the kind who want to draw unemployment insurance benefits as a means of support for their families. I am proud to say they are the kind of people who are happier when they have a chance to earn an honest dollar.

What are the employment opportunities in the Atlantic region? What are the employment opportunities in my own province of Nova Scotia? They have never been of the same standard as those of other provinces, a fact that has been recognized by people generally and by governments as they have come and gone. The point I want to establish is that our position, relative to the other provinces, is rapidly worsening. I have no figures at hand to support what I am contending now, but I have made mention in this chamber before of the effect of disarmament on our economy. I would just like to make some mention of this again in passing.

You may recall that my honourable colleague from Shelburne (Hon. Mr. Robertson) produced some figures on *Hansard* which indicated that the economy, particularly that of Nova Scotia, depended on defence expenditures for its income. I have made a further inquiry of my own, and in a moment or two I shall place certain figures on the record. The point I wish to make is that the regional aspects of the economic prospects of this country should take priority in the studies by this committee. Perhaps this is the time for honourable senators, and for a great many people outside this chamber, to read some of the documents that were published as ancillary to the final report of the Gordon Commission, a report which was sneered at in some quarters. I think some honourable senators are aware that because of political considerations the merits of the Gordon Report have never been appreciated by many people. I would urge honourable senators to read the ancillary report entitled "Some Regional Aspects of Canada's Economic Prospects". It sets down some basic information with regard to comparative positions and in some detail goes into what may have to be done at some future time to rectify the inequity of the position in which the Atlantic region finds itself. This topic should occupy the attention of the committee.

But I believe there is another and perhaps more important aspect in regard to employment opportunities, and it is related to the attendant economic effects of disarmament on the Atlantic provinces, especially, as I say, in my own province. A particularly close examination should be made of this. When we consider that even if we do not adopt a policy of disarmament—and many of us are quite disturbed to read about the turn of events in Paris at the present time—we have certainly passed into the nuclear age of missiles and anti-missiles, and of course the transition from a policy of defence, such as we have had up to this time, to that which any Government of this country, with its commonsense approach, is going to have to pursue in the very near future, will have the same effect on the economy of some of our Atlantic provinces as though we had total disarmament.

Let me give the house some idea of the importance of direct defence expenditures on the economy of Nova Scotia. The effect of the annual direct defence expenditure of approximately $135 million on the economy of my province should be self-evident. If this tremendous purchasing power in the markets of Nova Scotia's enterprises is in due course removed, the resultant effect on our economy will verge on the catastrophic. Of this amount of $135 million, perhaps the most significant withdrawal would be that of the annual civil salaries and wages of $22½ million, and pay and allowances of $56 million, a total withdrawal of direct purchasing power of $78½ million.

I know figures are not interesting but I want to put these in some perspective, and in doing so I want to draw to your attention that this total amount of $78½ million is $53½ million higher than the total value

of fish landings in Nova Scotia, and $61 million higher than the total value of woods operations in Nova Scotia, including sawn lumber and pulpwood production. It is $36½ million higher than the gross income from farm operations in my province. Furthermore, it is just $6 million less than the total value of production in all three primary industries.

Although the eventual withdrawal of these defence expenditures would have a very serious effect on the province of Nova Scotia as a whole, it is in the Halifax area, where the defence installations are concentrated, that the effect could be described as catastrophic. Those of you who have visited the Annapolis area, and the "Valley" area, as we call it, will realize how serious this withdrawal of defence expenditures would be on the military installations at Greenwood and Cornwallis. The Senate committee should give full consideration to this problem.

I have particularly mentioned our future economic prospects with the thought that when this report is written it will contain something which will give hope to us in the Atlantic region, and that some other way will be found to solve our economic problems than that of being dependent on coal subventions, freight rate subventions and hand-outs all down along the line, so that a man will be able to work and support his family by the sweat of his brow and not by such hand-outs.

There is one more problem which I think should be examined by the committee, and my honourable colleague mentioned the subject. We have large families in Nova Scotia. Our schools are almost bursting at the seams with young people. The local taxpayers are having a very difficult time in paying for the new school construction and for the other costs of education. What is going to happen to these young people now in the lower grades and in high school? Before we know it they will be parading to the employment office looking for employment. I think some consideration should be given to a national training scheme. I do not want to get tangled up in any constitutional argument about how it should be done, but I think the federal Government can do a great deal more in providing vocational training for these thousands and thousands of young people who are coming out of the schools of all our provinces. The federal Government has done a great deal, and is still doing so. However, young men and women coming out of high school are likely to require on-job training, because they are not pre-trained for the jobs that are open. Before leaving for the Easter recess I telephoned the Dominion Bureau of Statistics and was quite surprised to learn that in this tiny province of Nova Scotia, where the total population is little more than half a million, during the next ten years, from 1960 to 1970, no less than 75,000 of our youth will be entering the age group of 19 to 28 years. In other words, 75,000 young people will be coming out of the schools into the labour stream, graduating from university, if they have the opportunity to do so, and will be looking for jobs. How can they find a job unless employment opportunities are found for them? In looking through *Hansard* quickly I noticed that someone complained that some people expect the Government to provide them with a job. I do not think that is the thinking of anyone in this chamber. However, I do think the young people of this country expect the Government to enlist the services of all public-spirited men and women of this country to come up with a solution which will get them away from the idea that the Government owes them a living, and instead that policies will be adopted, even if they are bold and new, to provide the young people of this country with opportunities for employment, and then we shall have a much better country for them to live in.

Thank you, honourable senators, for your attention.

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

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-348, for the relief of Leslie Robert Stickles.

Bill SD-349, for the relief of Philippe Simard.

Bill SD-350, for the relief of Estelle Caroline Lohnes Antilla.

Bill SD-351, for the relief of Yolande Marguerite Delorme Houde, otherwise known as Yolande Marguerite Delorme Cyr.

Bill SD-352, for the relief of Andree Edmonde Augusta Fontaine Barriere.

Bill SD-353, for the relief of Eleanor Jean Mott Taylor.

Bill SD-354, for the relief of Rose Van Embden Singer.

Bill SD-355, for the relief of Jack Emile Chiarella.

Bill SD-356, for the relief of Elaine Louise Robinson Solkin.

Bill SD-357, for the relief of Gerald Onie Shannon.

Bill SD-358, for the relief of Percival Verna Nathan.

Bill SD-359, for the relief of Valerie Elsie Price Perrault.

Bill SD-360, for the relief of Joseph Edmond Giroux.

Bill SD-361, for the relief of Allen Dwight Westover.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators will note that there appears on the Order Paper for Wednesday the order for the second reading of Bill S-32 to authorize the construction and maintenance of a bridge across the St. Lawrence River. I would ask that, with leave of the Senate, this bill be the first item of business to be considered tomorrow, and that as the second item the house then proceed to the consideration of Bill C-56, to amend the Federal-Provincial Tax-Sharing Agreements Act. May I have the unanimous consent of the house?

Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 583*)

MEETING OF COMMONWEALTH PRIME MINISTERS

FIRST AND FINAL COMMUNIQUÉS

First Communiqué

The first plenary sessions of the meeting of commonwealth Prime Ministers were held at 10 Downing street, today.

In opening the meeting, the Prime Minister of the United Kingdom expressed, on behalf of his commonwealth colleagues, their deep sorrow at the circumstances which had prevented Dr. Verwoerd, the Prime Minister of South Africa, from carrying out his intention of attending this meeting. He also expressed his regret that the Prime Minister of Ceylon was prevented, owing to the impending election, from coming to London at this time.

Mr. Macmillan welcomed the Prime Minister of Malaya, Tunku Abdul Rahman, as the first representative of Malaya to attend a commonwealth Prime Ministers' meeting since Malaya attained full membership of the commonwealth.

The reply to Mr. Macmillan's opening statement was made by Tunku Abdul Rahman. In the course of his reply he raised the problem of racial discrimination in South Africa, and its effects on relations between South Africa and other commonwealth countries, and he expressed the hope that opportunity would be found for the commonwealth Prime Ministers to discuss this while they were in London.

The representative of the South African Government, Mr. Eric Louw, emphasized that sole responsibility for domestic policies within South Africa rested with the Union Government.

The meeting reaffirmed the traditional practice that commonwealth conferences do not discuss the internal affairs of member countries. Mr. Louw expressed his readiness to meet other heads of delegations informally for discussion of this problem. Arrangements are being made accordingly.

After these procedural questions had been settled Mr. Macmillan opened a general discussion on the world political situation. The Prime Minister of India and the President of Pakistan continued this discussion at the afternoon session. It will be resumed at a further plenary session tomorrow morning.

3rd May, 1960.

Final Communiqué

The meeting of commonwealth Prime Ministers ended today. Pakistan was represented by its President. The United Kingdom, Canada, Australia, New Zealand, India, Ghana, the Federation of Malaya and the Federation of Rhodesia and Nyasaland were represented by their Prime Ministers. South Africa was represented by the Minister of External Affairs, and Ceylon by the Minister of Justice.

2. This was the tenth of these meetings to have been held since the war. It has taken place at a time of great significance to the commonwealth and to the world.

3. The continuing growth of the membership of the commonwealth was marked by the attendance at this meeting of the Prime Minister of the Federation of Malaya, which achieved independence in August, 1957. The representatives of the other commonwealth countries welcomed the presence of the federation at the conference.

4. The commonwealth is an association of independent sovereign states, each responsible for its own policies; but the primary objective of all is world peace and security. It is their declared purpose to do everything in their power to achieve that objective, and to continue to co-operate to that end with all the peace-loving nations of the world.

5. In this spirit the commonwealth ministers have reviewed the major international problems of the day, on the eve of the impending summit conference which is to be attended by the Prime Minister of the United Kingdom. They expressed their sincere hopes for a successful outcome of that conference as a further step in the relaxation of international tension. They discussed, in particular, the problem of disarmament; and they welcomed the progress made at the Geneva conference on the discontinuance of nuclear weapons tests. They hoped that, on the basis of the preliminary work already done, the summit conference would be able to make some significant progress toward an eventual settlement, under international control, of the problem of disarmament. An advance toward a solution of that problem, linked with a progressive lessening of political tensions, would afford a firm basis for strengthening confidence between nations and promoting world security.

6. The commonwealth ministers also discussed the problems of Africa, the Middle East, the Far East and Southeast Asia. They recognized that economic and social progress

are essential for political stability. They welcomed the continuing contribution which mutual assistance under the Colombo Plan affords throughout southeast Asia to these aims; and they agreed that there and elsewhere throughout the less developed areas of the world the best hope of peace, stability and political freedom lies in practical international co-operation of this kind.

7. The ministers reviewed the world economic situation. They noted that, while in general the outlook was favourable, the economic expansion which had taken place since their last meeting had been greater in the industrialized countries of the commonwealth than in the primary producing countries. They agreed that an important condition of the prosperity of these countries was their ability to develop their export trade. They also recognized the urgent need to maintain and, where possible, increase the flow of economic assistance to the less developed countries. They welcomed the decision to establish an international development association.

8. The ministers discussed European trade problems. They expressed concern at the prospect of any economic division in Europe and its possible political implications. The countries of Europe form an important market for commonwealth exports. The ministers expressed their hope that these countries would follow trade policies in accordance with the principles of the general agreement on tariffs and trade, and thus avoid damage to the economies of the primary producing countries and those that are also developing exports of manufactured goods. In addition, European countries have an important contribution to make in assisting the economic development of the less advanced countries. The ministers hoped that these problems could be speedily and satisfactorily resolved, with due regard to the interests of countries outside Europe.

9. The commonwealth ministers reviewed the economic development of commonwealth countries in Africa which have recently attained or are approaching independence. They agreed that consideration should be given to the possibility of co-operative action among members of the commonwealth in assisting the economic development of these countries. This possibility will be studied in the first instance by officials of commonwealth Governments, and the commonwealth economic consultative council will examine it at its next meeting.

10. The ministers also reaffirmed their belief in the value of exchanges between commonwealth countries of persons with specialized skills and experience. They agreed that further efforts should be made to foster and encourage these exchanges, whether on a regional or other basis, and that the commonwealth economic consultative council should take this question into urgent consideration. They trusted that employers in commonwealth countries—whether governments, statutory bodies or private companies—would be ready, wherever possible, to encourage members of their staffs to undertake a period of public service abroad and would do their best to ensure that their prospects in their home countries would not thereby be prejudiced.

11. The ministers considered various questions of constitutional development within the commonwealth. They noted that the Federation of Nigeria would attain independence on 1st October, 1960. They extended to the federation their good wishes for its future and looked forward to welcoming an independent Nigeria as a member of the commonwealth on the completion of the necessary constitutional processes.

12. The meeting was informed that, in pursuance of the recent plebiscite, the constituent assembly in Ghana had resolved that the necessary constitutional steps should be taken to introduce a republican form of constitution in Ghana by 1st July, 1960. In notifying this forthcoming constitutional change, the Prime Minister of Ghana assured the meeting of his country's desire to continue her membership of the commonwealth and her acceptance of the Queen as the symbol of the free association of its independent member nations and as such the head of the commonwealth. The heads of delegations of the other member countries of the commonwealth assured the Prime Minister of Ghana that the present relations between their countries and Ghana would remain unaffected by this constitutional change and they declared that their Governments would accept and recognize Ghana's continued membership of the commonwealth.

13. The meeting noted a statement by the South African Minister of External Affairs that the Union Government intended to hold a referendum on the subject of South Africa becoming a republic. The meeting affirmed the view that the choice between a monarchy and a republic was entirely the responsibility of the country concerned. In the event of South Africa deciding to become a republic and if the desire was subsequently expressed to remain a member of the commonwealth, the meeting suggested that the South African Government should then ask for the consent of the other commonwealth Governments either at a meeting of commonwealth Prime Ministers or, if this were not practicable, by correspondence.

14. The ministers reviewed the constitutional development of the commonwealth, with particular reference to the future of the smaller dependent territories. They agreed that a detailed study of this subject should be made for consideration by commonwealth Governments.

15. Whilst reaffirming the traditional practice that commonwealth conferences do not discuss the internal affairs of member countries ministers availed themselves of Mr. Louw's presence in London to have informal discussions with him about the racial situation in South Africa. During these informal discussions Mr. Louw gave information and answered questions on the Union's policies, and the other ministers conveyed to him their views on the South African problem. The ministers emphasized that the commonwealth itself is a multiracial association and expressed the need to ensure good relations between all member states and peoples of the commonwealth.

13th May, 1960.

THE SENATE

Wednesday, May 18, 1960

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

Prayers.

EXPORT AND IMPORT PERMITS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-4, to amend the Export and Import Permits Act.

Bill read first time.

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

Hon. W. M. Aseltine moved that the bill be placed on the Order Paper for second reading on Tuesday next.

Motion agreed to.

NORTHWEST TERRITORIES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-60, to amend the Northwest Territories Act.

Bill read first time.

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

Hon. Mr. Aseltine moved that the bill be placed on the Order Paper for second reading on Wednesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled the following:

Report of the Agricultural Products Board for the fiscal year ended March 31, 1960, pursuant to section 7 of the Agricultural Products Board Act, Chapter 4, R.S. 1952. (English and French texts).

Report of agreements made under the Agricultural Products Co-operative Marketing Act, 1939, for the fiscal year ended March 31, 1960, pursuant to section 7 of the said Act, being Chapter 5, R.S. 1952. (English and French texts).

PRIVATE BILL

EVANGELICAL LUTHERAN CHURCH OF CANADA —REPORT OF COMMITTEE—BILL REFERRED BACK

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had considered Bill S-19, to incorporate The Evangelical Lutheran Church of Canada, and had directed him to report the same to the Senate with the following amendments:

1. Page 1, lines 19 and 20: Strike out "town of Provost, in the province of Alberta" and substitute therefor "city of Prince Rupert, in the province of British Columbia".
2. Page 2, line 1: Strike out "Alger" and substitute therefor "Algar".
3. Page 2, line 7: Strike out "George" and substitute therefor "Gerhard".
4. Page 2, line 10: After "John" insert "Michael".
5. Page 3, line 3: After "churches", insert "schools and".
6. Page 4, line 8: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
7. Page 5, line 3: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
8. Page 5, line 17: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
9. Page 5, line 42: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
10. Page 6, line 18: Strike out "directors" and substitute therefor "trustees".

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

Hon. Mr. Bouffard: With leave of the Senate, I move that the report be adopted now.

Hon. A. K. Hugessen: Honourable senators, I would like to move, in amendment to the motion, that this report be not now adopted, but that the bill be referred back to the Standing Committee on Miscellaneous Private Bills for further consideration.

Perhaps a word in explanation of the amendment would be in order for honourable senators who were not at the meeting of the Private Bills Committee this morning. This is a bill with the general objects of which I think the whole committee were entirely in sympathy. It is a bill submitted by four separate groups of Lutherans, all in the western provinces, who desire to join together for all practical purposes to unite their respective efforts, and with that object we were entirely in sympathy. The trouble was about the name which these people propose to adopt, namely, The Evangelical Lutheran Church of Canada.

Now, strong objection was taken to so broad a name by a number of other Lutherans who attended the meeting of the committee. We were told, and it was not contested, that the proponents of this bill represent all together approximately 31 per cent of all Canadian Lutherans, and objection was made by the other Lutheran bodies that if you give this body the wide general name of The Evangelical Lutheran Church of Canada it will be a misnomer and misleading because it will not include the remaining 69 per cent

of Lutherans. The objection to this wide general name was supported by clergymen and members of the Lutheran Church who were in Ottawa and by no less than four members of the House of Commons, all of whom are themselves members of different branches of the Lutheran Church.

A resolution was moved in the committee that the name was unacceptable on those grounds. That resolution resulted in a tie vote, five members of the committee in favour and five against, including the chairman, who exercised his right to vote.

A suggestion was made to the committee that the objection could very well be met if the proponents of the bill would be willing simply to strike out the word "The" and the word "of" so as to call themselves Evangelical Lutheran Church Canada.

I think, honourable senators, you will realize that if the bill goes forward in its present form it has very little chance of passing in either this house or the House of Commons. The object of my amendment is to send the bill back to the committee for further consideration in the hope that the proponents of the bill will modify the very rigid attitude which they took before the committee. They wanted the name which is in the bill, that whole name, and nothing but that name, and refused to accept any amendment, an attitude which struck us as being rather unreasonable.

I think all of us in the committee are very anxious to have the basic purpose of this bill carried into effect by seeing these four bodies joined together, but we do not believe there is any possibility of the bill's passing in the form in which it is now, with this wide general name which it proposes.

In a few words, honourable senators, that is the reason I have taken the opportunity of moving this amendment.

Hon. Salter A. Hayden: Honourable senators, I second the motion of the honourable senator from Inkerman (Hon. Mr. Hugessen). My entitlement to second it is that I seconded such a motion in the committee this morning.

There was unanimity in the committee as to the desirability of approving the substantial purpose of this bill, and the real question turned on the name. I had the feeling in committee, and it has been intensified since, that if the proponents of the bill, who were so adamant in their attitude this morning, have a chance for reflection they may come to the conclusion that there is some modification in the name which they could get along with and which would assure uninterrupted passage of the bill through both houses.

I think the stumbling block in this matter is the fact that in 1951 Parliament passed a private bill giving one of the four groups now seeking incorporation the very name which is now sought under this bill, namely, The Evangelical Lutheran Church of Canada. It was indicated to us in committee that the people who now oppose the name desired to oppose it in 1951 and had requested information as to when the private bill of that time was to be brought in, but somehow the signals got crossed and their representations were never heard.

Be that as it may, the proponents of the bill feel that, since one of them has the name now and it is highly desirable to them, why should they change it? The answer to that question as given by some of the members of the committee was simply this. If the request for this name were being made for the first time now it does not appear that it would be granted, in view of the circumstances, namely, that the body which would acquire this name as a result of the passage of this bill would represent a minority of the Lutheran Church membership in Canada, yet the connotation of the name would imply that that minority was The Evangelical Lutheran Church of Canada.

If the proponents of the bill wish to retain the name which they got in 1951 they will have to keep it by virtue of the existing statute, and they will have to do the best they can to work their present merger into that name. If they seek to do that I think they will encounter many difficulties.

I was particularly impressed this morning by the fact that not only did four members of the House of Commons who are Lutherans appear before the committee and express their points of view, but one of them acknowledged that he is a member of one of the four groups that are seeking this merger or amalgamation, yet he felt it was undesirable at this time that a name should be given implying that the amalgamation comprised the entire Evangelical Lutheran Church of Canada.

As I said, honourable senators, in my view it is most desirable that a little time be taken for meditation and thought here. That can be gained by referring the bill back to the committee for further consideration. If the bill goes on in its present form I feel that ultimately it will fail to pass. We are all in favour of the purpose of the bill and therefore it seems highly desirable that we send the bill back to committee for hearing, possibly on an occasion when we can have a larger representation. In the meantime the proponents will have had an opportunity to reflect further on the situation.

Hon. Mr. Macdonald: Honourable senators, all I wish to say is this. After listening to the very eloquent representations that have been made in the chamber this afternoon I am amazed that the bill carried in committee this morning.

Amendment agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce presented the committee's reports Nos. 418 to 422, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "CLOSE-UP"

On the Orders of the Day:

Hon. Muriel McQ. Fergusson: Honourable senators, I would like to bring to the attention of the Senate an article by Dr. Charlotte Whitton which appears in today's issue of the Ottawa *Citizen* in her column "On Thinking it Over". This article refers to the C.B.C.'s television program "Close-Up" which, according to Dr. Whitton, is scheduled to be broadcast tomorrow.

According to Dr. Whitton, who says she obtained her information from a précis of this week's program "Close-Up", the person who is going to be interviewed tomorrow is a secretary who made $70 a week in her legitimate occupation and $100 a night by acting as co-respondent in evidence to be used in divorce proceedings.

In her article Dr. Whitton says that this seems to be a very sordid and unsavoury subject for a television program, and I agree that it is. It is a very sordid subject for a program that will be going into thousands of Canadian homes on Thursday night. Dr. Whitton says that the program must be either phoney or open to prosecution under the criminal law. If it is phoney, then it is misleading, and it seems to me that if that is the case it belongs in the same class as the quiz programs which raised such trouble in the United States not so very long ago. If it is not phoney, then, as Dr. Whitton points out, the person interviewed must be selling false evidence and guilty of an offence.

Dr. Whitton says that the place of such a person "certainly is not parading before the nation by grace and favour of the tax-endowed C.B.C.-TV." I continue quoting:

> If, as the forecast suggests, she is in the business of selling false witness, then she and those associated with her are open to the offence, both of conspiracy and perjury under our laws and so should be so charged and prosecuted.

Many people feel, as I do, that the glorification of crime and violence in movies and on the TV is certainly a contributing factor to our juvenile deliquency which, we have to admit, is not improving. Could not such a program lead some young women, many of whom find it hard to live on the small salaries they earn, to make easy money in a similar way? In any case, I consider this subject a most inappropriate one for a television program.

I would like to know if the Government is aware of this, and if it is sponsoring such a program which gives publicity—and that is something highly valued by many people—to a person who has, by her own admission, successfully flouted the laws of Canada regarding perjury and conspiracy for the avowed purpose of misleading our courts of justice, and who, according to Dr. Whitton, is going to tell us on this television program how she did this so successfully. In case the Government is not aware of the proposed program will the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) bring the matter immediately to the attention of the Minister of Justice and our law enforcement officers?

LA SALLE-CAUGHNAWAGA BRIDGE BILL

SECOND READING—ORDER STANDS

On the order for the second reading of Bill S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence River at or near the town of La Salle, in the province of Quebec.

Hon. Mr. Monette: Honourable senators, I would ask permission of the house to postpone until later this day the remarks that I intend to make on moving second reading of this bill.

Hon. Senators: Agreed.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Lionel Choquette moved the second reading of Bill C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

He said: Honourable senators, this bill contains two amendments to the Federal-Provincial Tax-Sharing Arrangements Act. One

amendment provides an alternative whereby the grants now paid by the federal Government to the universities can, if a province so desires, be replaced by direct provincial grants to these institutions of higher learning.

The second amendment increases the share of personal income tax paid to the provinces. This second amendment continues for the two remaining years covered by the act the increased share first granted in 1958. In other words, in 1958 there was an increase from 10 to 13 per cent in the provincial share of personal income tax, and what is requested in the bill before the house is a continuation of that increase for another two-year period. There should be no difficulty encountered with respect to this point.

Under the provisions of the Federal-Provincial Tax-Sharing Arrangements Act the tax rental and equalization payments are based on certain standard rates of tax as follows: corporation tax, 9 per cent; individual income tax, 10 per cent; succession duties, 50 per cent. These were the standard rates originally specified in the act. As already stated, in 1958 Parliament amended the act so that the provincial share of personal income tax was raised from 10 per cent to 13 per cent for the 1958 taxation year. In 1959 a similar amendment was passed with respect to the 1959 taxation year.

As honourable senators are aware, the tax-sharing arrangements took place in 1942 as a sort of war measure and they were to last a full fiscal year after the end of hostilities Then in 1947 there was a renegotiation and the arrangements were renewed for another five years until 1952, when they were renegotiated again for another five years to 1957, then for a further five years from 1957 to March 31, 1962, at which time the provinces are to meet with the federal Government to make new arrangements.

The additional revenue which the provinces received as a result of all these amendments has been quite important in provincial finances. In 1958-59 payments and abatements to the provinces were $55.9 million higher as a result of the increase from 10 per cent to 13 per cent in the share of personal income tax received. In 1959-60 payments and abatements were $65 million higher as a result of the change, and it is estimated that for 1960-61 the provinces will benefit by more than $68 million. Such sums of money are obviously important both as additional costs to the federal treasury and as additional revenue to the provicnes.

The amendments with respect to university grants involve no additional cost to the federal treasury. However, these amendments do provide important alternative arrangements which permit a province to replace the present federal grants to universities by a system of direct provincial grants on an equal scale without increasing the burden on its taxpayers.

In theory other provinces could accept this. In practice the province of Quebec is the only one up until now to take advantage of this measure.

The federal grants to universities were begun in 1951-52 and have been paid in each year since. They were first paid on the basis of 50 cents *per capita* for the total population of each province, but in 1956-57 the rate was raised to $1 *per capita*, and in 1958-59 to $1.50 *per capita*. From the beginning of the program until the end of the fiscal year 1959-60 the total amount paid by the federal Government was $112,509,238. For the year 1959-60 the grants amounted to $26,112,000.

In the first years of the program the grants were made by the federal Government directly to the universities. The allocation for each province was based on the provincial population and the amount so allocated was distributed among the universities of a province on the basis of the number of full-time intramural student enrolment in courses leading to degrees. That formula still applies and is followed at the present time.

Since 1956-57 the Government has paid the money to the National Conference of Canadian Universities, and the actual distribution of grants has been undertaken by that body or its successor, the Canadian Universities Foundation.

Up to the present time the amounts paid have been authorized by an annual vote, but the present amendment will place these grants on a statutory basis for the two remaining years of the Federal-Provincial Tax-Sharing Arrangements Act.

University grants have met with a wide measure of approval in nine provinces. In Quebec, however, the grants were regarded as an interference with the province's exclusive jurisdiction over education. The grants were accepted in 1951-52 by Quebec universities, but from that year up until 1959-60 only two colleges applied annually for the grants.

Hon. Mr. Macdonald: May I ask the honourable gentleman if he could tell us the names of those two colleges?

Hon. Mr. Choquette: The College Marie de France and the Presbyterian College of Montreal. I understand that this year some colleges which claimed before are not claiming now under the new system. I know that the College de Rouyn and the Presbyterian College have not applied this year.

Hon. Mr. Euler: Does the bill provide for retroactive payments of grants?

Hon. Mr. Choquette: I am coming to retroactive payments. The province of Quebec for many years refused gifts of money and the grants lapsed.

I have here the figures for grants available to universities of the province of Quebec. The first grant, for the fiscal year 1951-52, amounted to $2,027,800. The amount available for 1952-53 is unknown to me at present, but it has lapsed. The same applies to 1953-54, 1954-55 and 1955-56. For the years 1956-57 the Government said it would place the grant in the hands of what at that time was known as the National Conference of Canadian Universities, and that universities which decided to claim the grants might do so. None of them claimed, with the result that there is now available to the province of Quebec $25 million.

Hon. Mr. Macdonald: Could the honourable gentleman tell us what amount was placed at the disposal of the universities each year between the years 1951 and 1956?

Hon. Mr. Choquette: That would be a matter for the actuaries. Those figures will be available in committee.

In 1956-57, for the first time since 1951-52, we see that a grant was available to universities of the province of Quebec. That year it was $4,628,378. In the following year, 1957-58, it was $4,758,000; in 1958-59, $7,326,000; and in 1959-60, $7,498,500.

Hon. Mr. Croll: May I interrupt my honourable friend? I assume the table of figures which the honourable senator is using was prepared by the department. It is hard to follow those figures. Would we not benefit if the table was put on *Hansard* after some of the highlights have been given to us?

Hon. Mr. Choquette: I will place it on *Hansard*.

See table on page 603.

Hon. Mr. Hugessen: May I ask my honourable friend a question for clarification? I think he said that some of the grants prior to 1956 to the Quebec universities lapsed. Is that really the case? I thought that they all were put ultimately in the control of the National Council of Canadian Universities.

Hon. Mr. Choquette: No. That system of putting grants in the control of that organization started, I understand, in 1956-57. If the universities did not avail themselves of the money offered to them in any of those years the grants lapsed at the end of the year.

Hon. Mr. Hugessen: Is my honourable friend not mistaken? I think the grants have accumulated regularly from the beginning.

Hon. Mr. Croll: How much was put in in 1956-57?

Hon. Mr. Choquette: I have the amounts, requested a moment ago, which were available in the years I mentioned and lapsed. In 1952-53 the amount made available to Quebec universities but not accepted was $2,087,000; in 1953-54, $2,134,500; in 1954-55, $2,194,000; and in 1955-56, $2,260,000. These figures total $8,675,500.

Hon. Mr. Euler: Will those lapses be revived under the bill?

Hon. Mr. Choquette: I understand not.

Hon. Mr. Euler: What is the $25 million for?

Hon. Mr. Choquette: The $25 million is the amount deposited from 1956-57 when the Government got tired of seeing these grants lapsing, and said, "We will find a new system. We will place that money with the foundation, and those universities that want to collect it may do so."

Hon. Mr. Euler: Anything prior to that?

Hon. Mr. Choquette: No, except the grant of $2,027,800 made in 1951-52, which was accepted.

Hon. Mr. Hayden: I think the figures my friend gave for 1957 were about double these earlier figures. Were they in the range of $4 million?

Hon. Mr. Choquette: $4,628,378.

Hon. Mr. Hayden: Is there any basis of calculation for arriving at this amount?

Hon. Mr. Choquette: Yes; $1 *per capita*, instead of 50 cents *per capita*. Up until 1956-57 it had been 50 cents *per capita*. It was $1 *per capita* in 1957-58; and in 1958-59 it was raised to $1.50 *per capita*.

Hon. Mr. Connolly (Ottawa West): Would the honourable gentleman mind a further interruption?

Hon. Mr. Choquette: I would love it.

Hon. Mr. Connolly (Ottawa West): I understood him to say that at the present time there is approximately $25 million in this fund which is being held by the Canadian Universities Foundation for Quebec universities. The honourable gentleman did not mention that there was a lapse in any one of the years referred to by him for which he gave firm figures. The figures for those years were approximately $4 million in two years and $7 million in two years. I would like to know

GRANTS AVAILABLE TO UNIVERSITIES FOR FISCAL YEARS 1951-2 TO 1959-60

——	1951–52	1952–53	1953–54	1954–55	1955–56	1956–57	1957–58	1958–59	1959–60	Total
	$	$	$	$	$	$	$	$	$	
1. Grant per capita	.50	.50	.50	.50	.50	1.00	1.00	1.50	1.50	
2. Newfoundland	180,700	187,000	191,500	199,000	206,000	415,074	426,000	657,000	673,500	3,135,774
3. Prince Edward Island	49,200	51,500	53,000	52,500	54,000	99,285	99,000	150,000	153,000	761,485
4. Nova Scotia	321,250	326,500	331,500	336,500	341,500	694,717	702,000	1,065,000	1,074,000	5,192,967
5. New Brunswick	257,800	263,000	268,000	273,500	279,000	554,616	565,000	865,500	885,000	4,211,416
6. Quebec	2,027,800	—	—	—	—	4,628,378	4,758,000	7,326,000	7,498,500	26,238,678
7. Ontario	2,298,750	2,383,000	2,448,500	2,523,000	2,591,500	5,404,933	5,622,000	8,704,500	8,928,000	40,904,183
8. Manitoba	388,250	399,000	404,500	414,000	424,500	850,040	860,000	1,305,000	1,327,500	6,372,790
9. Saskatchewan	415,850	421,500	430,500	439,000	444,500	880,665	879,000	1,332,000	1,353,000	6,596,015
10. Alberta	469,750	485,000	501,000	519,500	533,000	1,123,116	1,160,000	1,801,500	1,864,500	8,457,366
11. British Columbia	582,600	599,000	615,000	633,000	652,500	1,398,464	1,487,000	2,316,000	2,355,000	10,638,564
Total	6,991,950	5,115,500	5,243,500	5,390,000	5,526,500	16,049,288	16,558,000	25,522,500	26,112,000	112,509,238

Commencing in fiscal year 1956–57, the National Conference of Canadian Universities undertook the distribution of the grants.

The amounts made available to the universities of Quebec but not accepted amounted in 1952–53 to $2,087,000; in 1953–4 $2,134,500; in 1954–5 $2,194,000 and in 1955–6 $2,260,000. These amounts lapsed at the conclusion of the relevant fiscal year. Subsequent to 1955–6 the amounts for Quebec universities have been held in trust by the National Conference of Canadian Universities.

if the figure of $25 million is approximately the amount now being held for Quebec universities or does it represent an amount which was held back for a number of years?

Hon. Mr. Choquette: No, that is the total of the amounts that were placed in the hands of the Canadian Universities Foundation since 1956-57 after these lapses of four years. If we add $2,027,800, the first grants that were accepted, we have a grand total of $26,238,678.

Hon. Mr. Connolly (Ottawa West): That is what is now available?

Hon. Mr. Choquette: It is now available. I am including in that the first grant that was accepted by the universities of the province of Quebec.

Hon. Mr. Hayden: But if you added the grants that lapsed to the ones that were provided in the manner in which you mentioned, the figure would approximate about $25 million, would it not?

Hon. Mr. Macdonald: I do not think the statement made by the honourable gentleman is very clear. Probably we can get the correct information in committee. I will have to ask the house to refer the bill to committee for consideration.

Hon. Mr. Choquette: Honourable senators, it was not a happy situation, as you realize, for the universities of the province of Quebec at the time of the refusal of grants. No workable formula had been reached for university grants to Quebec, so the universities were delving into endowment funds, using money earlier raised for building funds or borrowing money to meet deficits. The alternative arrangements provided in the bill offer a solution to the problem of university grants in Quebec. A province which collects its own corporation taxes can, if it chooses to do so, pay additional grants to its universities on the basis of student enrolment on a scale equivalent to $1.50 *per capita* of its total population.

If it makes provision to pay such additional amounts to its universities the corporate taxpayers of that province will receive an additional abatement of one per cent under the Income Tax Act. If this increase of one per cent payable by the corporations is accepted, the Income Tax Act will have to be amended accordingly so that there will be an abatement authorized. The value of this abatement of one per cent in the rate of corporate income tax will be adjusted to $1.50 *per capita* by a deduction from or an addition to other payments made under the Federal-Provincial Tax-Sharing Arrangements Act. It can be seen that this alternative involves no additional cost to the federal treasury.

If the federal university grants are replaced by provincial university grants in a province, there is a saving to the federal treasury of $1.50 *per capita* in that province, and this saving is matched exactly by the value of the additional abatement given and the adjusting payments or deductions.

The bill, by providing an acceptable alternative for the payment of university grants, makes a major contribution to federal-provincial understanding and good relations.

Honourable senators, I have endeavoured to give you a general idea of the bill. There are many figures and there are technical points that should be dealt with by experts in committee. But if there are any questions that I am able to answer, I will do so.

Hon. Mr. Connolly (Ottawa West): Honourable senators, I want to ask a question without making a speech. In the event that the abatement does not result in producing sufficient moneys to equal $1.50 multiplied by the population of Quebec, what will the situation be? On the other hand, if it exceeds that amount, what will the situation then be?

Hon. Mr. Choquette: I think I have the answer to that: The situation will be that the equalization payment—and this would be *ex gratia* from the Consolidated Revenue Fund—might represent 10 cents or 15 cents *per capita* at times, and it is anticipated that this increase of one per cent will more than cover what will be required.

Hon. Mr. Connolly (Ottawa West): So if it is less the federal Government will make up the deficiency?

Hon. Mr. Choquette: Yes, the federal Government will pay it out of the Consolidated Revenue Fund.

Hon. Mr. Connolly (Ottawa West): And if it is more?

Hon. Mr. Choquette: I suppose it will be taken off the grants.

Hon. Mr. Smith (Queens-Shelburne): What is the answer to that question?

Hon. Mr. Choquette: If it is more, I assume that it would be taken off the grants.

Hon. Mr. Hayden: If the grant is made they bill them for any difference?

Hon. Mr. Choquette: I would think so.

Hon. Mr. Reid: Might I ask the honourable senator if the figures that he has been dealing with will appear in *Hansard*.

Hon. Mr. Choquette: Yes, the figures that I have been mentioning will be in *Hansard*. I have figures for all the universities which I think will be interesting and they might be included in *Hansard*.

Hon. Mr. Reid: I would think so.

Hon. Mr. Macdonald: If the one per cent does not raise sufficient money to equal $1.50 *per capita* the federal Government is to make up the difference. Is that what I understand?

Hon. Mr. Choquette: That is right, and as a matter of fact in Quebec they have raised it to $1.75.

Hon. Mr. Macdonald: Well, if the one per cent does not produce $1.50 and the federal Government has to make up the difference, will there not still be the same objection to receiving the difference as there was in the instance of receiving the whole amount?

Hon. Mr. Choquette: I would not be prepared to answer that. I cannot place myself in my good friend's shoes, for instance, nor in the shoes of the people of the province of Quebec, who have made great steps toward reaching an agreement.

Hon. Mr. Macdonald: Would my friend go so far as to say that if it does not produce $1.50, or not more than $1.50, the problem will not have been solved?

Hon. Mr. Choquette: I am not prepared to say.

Hon. Mr. Dupuis: Honourable senators, I would like to state a question in the light of the British North America Act. According to the British North America Act education is within the exclusive jurisdiction of each province. If education was left as it should be left, under the jurisdiction of each province, I would like to know what amount each province, from Newfoundland to British Columbia, would collect under a system whereby it would impose taxes—corporation taxes or any other taxes or levies—to supply sufficient money to meet its obligation for the education of its children. I would like to have the information very clear. For instance, let us take the province of Prince Edward Island. Supposing that province is left to itself and collects its own taxes for the purpose of education. How much would they yield to the province and would that amount be sufficient to meet its obligations for educational purposes?

I do not want the honourable gentleman to answer now. I would like him to ascertain the exact figure that would be collected by each province if education was left under the jurisdiction of each province, and how the provinces can meet their obligation for the education of their children.

Hon. Mr. Choquette: The honourable senator's question is on *Hansard* and it is unanswered, but it will be answered, I take it, in committee. I do not quite grasp it, because if there are corporate taxes they can amount to 15 per cent and only a certain percentage of that would go to education. When corporations are taxed they are not taxed especially for education.

Hon. Mr. Wall: Honourable senators, may I ask the honourable gentleman two simple questions? I notice in section 1 of the bill the words "varying a tax rental agreement to provide . . .". I do not understand the meaning or the exact context of a "tax rental agreement", but I understand that Quebec now has no tax rental agreement with Canada.

Secondly, am I correct in understanding that the formula for distribution of money to the universities and colleges on the basis of full-time intramural students is going to be continued under the new alternative arrangement? I note on page 2 of the bill, at lines 16 and 17, the words "satisfactory arrangements exist in the opinion of the Minister . . ." Am I correct that the formula of distribution to colleges and universities on the basis of full-time intramural students is to be continued?

Hon. Mr. Choquette: That is the system that will be followed, especially in cases where a province decides to become a prescribed province, such as is explained at the top of page 2 of the bill. If a province decides to collect its own taxes and to look after its own university costs, it will as far as possible follow the plan that is followed throughout Canada. It could be at variance, but the plan would have to be acceptable to the federal authorities.

Hon. Mr. Wall: The point I am raising is simply whether the prescribed province has to follow a plan of distribution which has been arranged by the federal authorities.

Hon. Mr. Choquette: With the consent of the newly prescribed province.

Hon. Mr. Croll: May I be permitted one question? Two tables appear in the *Hansard* of the other place under date of March 18, dealing with grants to universities. Do I understand my honourable friend will supply similar tables for our use here?

Hon. Mr. Choquette: Yes, they will be supplied in committee.

Hon. Mr. Croll: We require the information to be placed on our *Hansard*, before the bill gets to committee.

Hon. Mr. Choquette: Has my honourable friend seen the table I just passed around?

Hon. Mr. Croll: I did not see it.

Hon. Mr. Choquette: I requested that that table be placed on *Hansard*. It contains all the figures with respect to grants made since the inception of the system. That is the table which appears at page 2226 of the *Hansard* of the other house, and it will appear in our record as part of my remarks today.

Hon. Mr. Croll: I would call attention to another table which appears at page 2224 of *Hansard* of the other place. It is headed "Effect on tax-sharing arrangements with the provinces of the 3% increase in the standard individual income tax including tax abatements". I suggest that this table also should be placed on our *Hansard*, so that when honourable senators read what the honourable sponsor of the bill has said they can relate it to the facts given in these tables. When the honourable senator said that grants for certain years have lapsed, it took us a bit by surprise. But that is exactly what the tables show. Therefore, I ask that this additional table be included in our record.

Hon. Mr. Choquette: With the permission of the house, I now place on *Hansard* the table requested by my honourable friend.

See table on page 607.

Hon. Mr. Pouliot: May I ask a supplementary question? According to the record of the House of Commons the bill now before us received second reading unanimously in that house on May 10, and on May 13 it received third reading and was passed unanimously. Therefore, what is the objection to the bill? There appears to be no objection.

Hon. Mr. Isnor: Some amendment was offered in the other house.

Hon. Mr. Choquette: I have heard nothing but intelligent questions. I have heard no objection.

Hon. Paul H. Bouffard: Honourable senators, this is an important bill, and may have far-reaching effects in the future, more particularly in the province of Quebec. The bill came to us late yesterday, and has been explained only today. I feel that I am in a rather difficult position, because the legislations is quite complicated. Therefore, I would prefer to speak in French in order that what I have to say may not be misinterpreted. I can more easily improve in French than in English.

(Translation):

Honourable senators, I think that in the matter of federal provincial arrangements with regard to university grants, a bit of the background would not be amiss.

Before 1951-52, there was undeniably never any mention of federal grants to Canadian universities, any more than to classical colleges and other educational institutions in Canada.

Hon. Mr. Dupuis: Of federal grants.

Hon. Mr. Bouffard: Yes. There have been grants in favour of technical schools and complete payment by the federal Government of all expenses incurred by military colleges. Formerly, there was only one of them, in Kingston, but since then another one has been established in St. Johns, the maintenance of which has also been taken over by the federal Government.

With the end of the war, our universities were faced with increasing financial difficulties resulting from the necessity of providing new buildings, expanding the old ones, looking after a much greater number of students, setting up new faculties and fitting them out completely. They found out they could not meet these expenses.

At first, they quite naturally called upon the governments of the various provinces in which they were located to obtain the necessary grants for their development. But the provinces were then no longer in a position to meet such considerable demands because the field of taxation had been by then fully occupied by the federal taxes, which had remained just about the same ever since 1942. The universities, having no other sources of revenue, then called upon the federal Government in order to obtain the necessary grants for their development and to allow them to offer our youth an education comparable to that given in other countries like the United States and European countries.

Hon. Mr. Dupuis: May I ask a question of the honourable senator? When he says that the universities asked the federal Government for grants, is he in a position to produce letters or other documents to that effect?

Hon. Mr. Bouffard: No, I cannot, but I do know that during the discussions that took place in the province of Quebec in 1951-52, when the first grants were given, everybody said that the universities had not the necessary means for their development. Mr. St. Laurent said so in 1951-52 and he repeated it in 1955-56 and in 1956-57. Later on, the present Government mentioned the fact whenever there was a question of increasing the

EFFECT ON TAX-SHARING ARRANGEMENTS WITH THE PROVINCES OF THE 3% INCREASE IN THE STANDARD INDIVIDUAL INCOME TAX INCLUDING TAX ABATEMENTS

(in thousands of dollars)

	1958–59			Preliminary 1959–60			Estimated 1960–61		
	13–9–50	10–9–50	Increase	13–9–50	10–9–50	Increase	13–9–50	10–9–50	Increase
1. Newfoundland	17,572	16,552	1,020	19,103	17,261	1,842	20,527	18,577	1,950
2. Prince Edward Island	4,269	4,269	—	4,340	4,311	29	4,675	4,675	—
3. Nova Scotia	28,488	25,843	2,645	30,469	27,526	2,943	32,212	29,155	3,057
4. New Brunswick	23,151	21,102	2,049	25,102	22,679	2,423	26,905	24,349	2,556
5. Quebec	195,943	177,782	18,161	212,704	192,177	20,527	228,162	206,516	21,646
	(61,490)	(53,919)	(7,571)	(67,586)	(59,038)	(8,548)	(70,624)	(63,465)	(7,159)
6. Ontario	241,454	219,527	21,927	261,837	237,033	24,804	278,038	252,089	25,949
	(95,016)	(73,089)	(21,927)	(107,481)	(82,677)	(24,804)	(112,441)	(86,492)	(25,949)
7. Manitoba	34,902	32,541	2,361	37,655	34,023	3,632	40,161	36,339	3,822
8. Saskatchewan	35,628	32,320	3,308	38,383	34,674	3,709	40,876	36,985	3,891
9. Alberta	48,181	43,718	4,463	52,894	47,785	5,109	57,335	51,888	5,447
10. British Columbia	64,762	64,762	—	67,182	67,182	—	71,975	71,975	—
Total including abatements	694,350	638,416	55,934	749,669	684,651	65,018	800,866	732,548	68,318
Total excluding abatements	(413,459)	(368,115)	(45,344)	(450,195)	(397,156)	(53,039)	(477,731)	(423,900)	(53,831)

The calculations for 1958–59 are based on the Final Calculation of Standard Taxes, Equalization and Stabilization Payments for the fiscal year 1958–59 dated Dec. 24, 1959; for 1959–60 on the Fourth Estimate of Standard Taxes, Equalization and Stabilization for fiscal year 1959–60 dated Jan. Jan. 8, 1960 and for 1960–61 on the Estimates for the fiscal year ending March 31, 1961. The Atlantic Provinces Adjustment Grant and the deduction on account of Quebec special corporations taxes are excluded.

The figures in brackets exclude the amount of the abatements.

grants from 50 cents to $1.00 *per capita* and also when they were increased from $1.00 to $1.50 *per capita.*

The federal Government realized the need of additional grants to universities and, in 1951-52, it agreed to pay grants on a 50-cent *per capita* basis, no other mention being made but that the grants were being given directly to the universities according to a formula which has remained unchanged. So, that first year, all the universities of the dominion accepted the grants, including Quebec universities. But in 1952-53, the Government of Quebec protested that federal grants were nothing but federal interference in the field of education.

On that constitutional question, I would rather not go too far. It is a moot point. Some people claim that the federal Government should not even, through grants, interfere with education, even though it refrains from giving any order, from meddling with educational details and does nothing else but hand out to the universities the grants they need for their normal development. Others claim that it is quite legal and constitutional for the federal Government to give grants to Canadian universities.

At any rate, there was at that time in the province of Quebec an objection or obstacle which prevented Quebec universities from receiving, or rather from claiming the grants which the federal Government had offered them. In this regard, the universities of Quebec lost more than $2 million in 1952-53, in 1953-54, in 1954-55 and as much in 1955-56, so that over those years the universities were deprived of nearly $9 million. I am not blaming Quebec universities because, had they accepted those grants, they would have lost all rights to any provincial grants.

In 1956-57, the question was raised anew before the federal Government for two reasons, the first of which was the situation existing in Quebec and which prevented the universities from accepting federal grants; and second, the increase from 50 cents to $1 *per capita* that the federal Government was about to make in its university grants. Then the Government, in order to settle the matter, announced the establishment of the Canadian Universities Foundation, a federal body, under federal control, to whom the grants would henceforth be paid. As the universities had been prevented in the past from accepting the grants offered them, the amounts in question would remain in the hands of the foundation so that, when the difficulty disappeared, Quebec universities could receive the same grants as the universities outside their province and which, for reasons beyond their own control, they had been unable to accept. And that is still being done today.

The grants which have accumulated in favour of Quebec universities because they were not in a position to accept them as long as the obstacle had not been removed now amount to $25 million.

Well, this year, a formula seems to have been found which is both more constitutional and more favourable to Quebec and which allows its universities to accept, through the Canadian Universities Foundation, the grants enjoyed by all the other universities. It is all very simple. Up till now, Canadian universities outside Quebec have been receiving grants paid to the Canadian Universities Foundation and distributed according to the standards and formulas agreed upon between the foundation and the federal Government. The province of Quebec refused them, but the money is still there.

In order to settle the problem constitutionally, and as the Government of Quebec had formally objected to the grants, a new formula was devised. Quebec was told: "Now, you are going to collect a 1 per cent tax from your own corporations and pay, yourself, to Quebec universities the grants we pay through the Canadian Universities Foundation. In Quebec, you will set the tax, collect it and pay the money directly to the universities; it will thus be a tax set, collected and distributed by the province".

If that were truly the case, I would have nothing to say. It would be a good way of concluding an agreement between federal and provincial authorities in order to calm the constitutional scruples lingering in the minds of some people. But the solution suggested, like the bill before us, not only solves nothing but it makes matters worse and produces a situation which is even less constitutional than the present one. In what way? This is how I understand it: In the first place if education really is a question coming under the exclusive jurisdiction of the provinces, as I am convinced beyond a doubt that it is, then each province must be free to set, to collect and to distribute educational taxes as it sees fit. Now, what happens under the bill before us? First, the province collects only as much as it is told to by the federal Government, that is 1 per cent, from its corporations,

which amount is deductible under federal law. That situation will last only as long as the federal Government so desires. In one, two or three years, conditions could change overnight.

Secondly, the money collected with the permission of the federal Government is distributed to Quebec universities by the provincial Government under conditions set by the federal Government. Very well, but how? In accordance with the rules set by the federal Government for the Canadian Universities Foundation. Therefore, should the provincial Government, instead of distributing the money on a *per capita* per college basis, desire, because of the creation of a new faculty in some university, to give greater help to that university in order that it may meet necessary expenses, it is prohibited from doing so because conditions governing the distribution of grants are set by the federal Government under the terms of the agreements entered into with the Canadian Universities Foundation. What becomes, then, of the autonomy claimed by the provincial Government in the matter of setting, collecting and, what is especially important, distributing the funds collected with the permission of the federal Government?

Thirdly, I submit that the situation is worse today than it has ever been because, even though the federal Government pays university grants, nothing in the act prevents the provincial Government from imposing the tax it wants to in favour of universities, from collecting and then from doing with the proceeds just what it wants to do.

Now, under the terms of the legislation before us, the amount of the tax to be imposed by the provincial Government is limited to 1 per cent; that is specified, 1 per cent corporation income tax but no personal income tax, which is the only one that could be deductible. Moreover, if the education tax imposed by the province should produce an amount which exceeds $1.50 *per capita* in the province, well the surplus on that tax set by the province, collected by the province and to be distributed by the province would have to be paid back to the federal Government.

It would therefore seem that, although it is the Quebec Government's duty, for its own educational purposes, to set, collect and distribute this tax, it must still pay back a part of it to the federal Government, to be transferred to the Consolidated Revenue Fund.

On principle, I am unable to accept such a formula. I understand that the universities are going to receive the amounts presently held for them by the Canadian Universities Foundation, that the provincial Government is going to be authorized to collect seven or eight millions more to be distributed in accordance with the standards and conditions imposed by the federal Government. I understand that we cannot object to such a measure and I, personally, can do nothing but vote in favour of the bill, rather than see it thrown out but, as far as autonomy is concerned this act is more dangerous than any other. I say it is more dangerous from the point of view of autonomy in the field of education, from the point of view of construction and development of our institutions of higher learning.

I would like to warn senators and the Government against these extremely dangerous measures which may lead us into a situation where the federal Government will have to impose heavy taxes to help out the universities instead of letting the provincial Government set, collect and distribute them. Furthermore, the province of Quebec is being allowed to impose taxes for educational purposes—which come under its exclusive jurisdiction—but part of the proceeds of such a tax may be considered as a debt owed the federal Government. So that the federal Government will be collecting from a field which is not its own and the province will have to reimburse to the federal Government part of the taxes which were legally imposed, as they come within its exclusive domain.

I am quite sure that if an effort had been made in the past to impose federal taxes to pay for university construction, it would have been opposed on the ground that the matter did not concern the federal authority, that it was *ultra vires*.

Is there no solution to the problem? Because when all is said and done, our universities need help. It would seem that Quebec approves this bill, or at least that Quebec is ready to act on it as soon as it is passed, in accordance with the terms of the present act.

Is there no way to prevent the control of education passing from provincial into federal hands or to safeguard all the provinces' autonomy in that field?

Well, I should say at the outset that if the English-speaking provinces are satisfied

that the Canadian Universities Foundation should be under federal control, in the case of Quebec, that foundation, to whom the grants will be paid, should come under the province and the terms of distribution be dictated by the provincial government rather than by federal authority.

The best way to safeguard our autonomy would be to be entitled to say to that body: "You are going to receive the money and you will distribute it in such and such a way."

I find the bill unfair for another reason, namely, that it does not allow for repayment to Quebec universities of the sums collected by the Government during the years 1952-53, 1953-54, 1954-55 and 1955-56. Those amounts were offered them, but could not be accepted because of insuperable obstacles. It was decided in 1956-57 that these amounts would be kept in reserve by the Canadian Universities Foundation until such time as the obstacles having disappeared they could be accepted. I wonder why the amounts collected under the 50-cent *per capita* basis cannot be paid back to Quebec universities, who would thereby enjoy the same advantages as the universities of other provinces.

Finally, has the time not come to allow the provinces to collect their own taxes?

The province of Quebec is in a rather peculiar position. It differs from the other provinces in that it has its own traditions, its laws, its language, and that the religion of the majority is not the same as in other provinces; that is why you will find fears in the province of Quebec that do not exist in the other provinces. The present Government no more than any former Government, does not or will not interfere with education in Quebec, in a manner that would cause the province to lose one of its dearest rights. There is no danger now, but what will happen in fifty years? Let us suppose that some future Government composed of people whose principles differ from those of past and present Governments should come into power, that it should adopt other methods and decide to take over the control of universities by placing conditions upon the money paid to the Canadian Universities Foundation. Would that not constitute a direct violation of provincial autonomy? No one knows whether forty years hence some future Government may not decide to instil into Canada's youth, those of Quebec included, principles that differ from those prevailing today. That is what the province of Quebec is afraid of. That is the reason for which the provinces of Canada were granted in a special privilege the exclusive jurisdiction over education. Why not respect that autonomy? And what is the best way of doing so? The only way to safeguard Quebec's and the other provinces' exclusive jurisdiction in matters of education would be to allow them to impose themselves the taxes required to develop and maintain the educational system in each province. Let us forget about the kind of measures which prevent the provinces from imposing the necessary taxes without, at the same time, imposing double taxation upon the taxpayer. Double taxation is no way of helping our universities, it is no way of allowing our provinces to set up their educational system. All Quebec wants is the right to develop its own educational system through provincial taxes, but without double taxation.

I am convinced that if the other provinces claimed the same right and if there existed more co-operation between the provinces, they would all keep the autonomy granted them by the British North America Act.

Those are the remarks I wanted to make and the conclusions that must be drawn from them. The federal Government should now be persuaded to relinquish taxation for the purpose of giving educational grants to the provinces and to allow the latter to collect and distribute their own taxes as they see fit, without any strings attached and without their being subjected to the control of the Governor in Council.

To my mind, that system would be acceptable to all concerned and no province would have to fear any violation of the British North America Act of 1867; their autonomy in that field would remain intact and would not be infringed upon, and the federal Government would have no authority to impose upon the provinces an educational system they did not want.

(Text):

Hon. William M. Wall: Honourable senators, to a layman not trained in the technicalities of constitutional law this bill presents a dilemma. To be against it, in principle, means to be accused of doing something which would prevent one of the ten Canadian provinces from sharing in funds now being collected also from Canadian citizens in Quebec. These federal funds are being allocated to universities on the basis of a formula—which I have criticized in this house—through the instrumentality of the new Canadian Universities Foundation, under an agreement we

are approving in this bill. However, to be in favour of this supposedly more workable arrangement with its fine theoretical or philosophical distinctions raises problems in my mind regarding some aspects which I shall briefly describe. In other words, this new formula, alternative to the one currently in use since the beginning of federal grants to universities and colleges, cannot be regarded as a very happy, very fortuitous or very workable innovation, and it may well raise problems in the future.

In his brilliant remarks the honourable senator from Grandville (Hon. Mr. Bouffard) raises one of these problems, and that is, simply, this: There is presently a backlog of $26 million. It is going to be accepted, if I understood him correctly, by Quebec, and if it is, does that not in itself constitute an invasion of the rights which have been so zealously guarded in the past eight or nine years? More competent people would have to judge these aspects as I see them.

I raise the question of the interpretation in the bill of the alternative arrangement, which says something about a "tax rental agreement", and, as I understand it, Quebec has not rented its taxing powers to the federal Government.

Hon. Mr. Brunt: Oh, yes it has. Quebec has done so, because it has given up the right to collect full income taxes in that province. There is a definite agreement, which expires in 1962.

Hon. Mr. Bouffard: There is no tax rental agreement in Quebec.

Hon. Mr. Brunt: I understood there was.

Hon. Mr. Bouffard: No. It expired in 1948 or 1949, and there has been no further rental agreement since then.

Hon. Mr. Brunt: I apologize to the honourable junior senator from Winnipeg (Hon. Mr. Wall). I understood there was a tax rental agreement in Quebec.

Hon. Mr. Wall: I did not think there was. I understood, too, that this province, as we have been told, has also refused to accept university grants through the National Council of Canadian Universities on the ground that such acceptance would be an invasion of exclusive educational jurisdiction given to the provinces by the British North America Act. Yet this bill, in its essence, raises this very same problem of invasion.

In cases where not enough money is raised, suppose that happens—it may not happen now, but suppose it does happen four or five years from now—and suppose the one per cent formula does not raise enough money, then the federal Government has to contribute additional money, and that contribution of additional money by it directly to the provincial Government or to the provincial institution that is going to distribute it can be interpreted as the same kind of invasion that Quebec has been arguing against for so many years. And, of course, the problem is made more delicate if the one per cent raises more money than the formula allows and then some money ostensibly has to be given back in some way or another.

Personally I have never agreed with the validity of the contention—although I respect it—I have never agreed with the contention that by accepting grants through the instrumentality of the Canadian University Foundation there was an invasion of exclusive educational jurisdiction. I would like to mention other acts that Parliament has passed, going back many years.

Hon. Mr. Monette: May I ask a question of the honourable gentleman?

Hon. Mr. Wall: Yes.

Hon. Mr. Monette: If I understood the honourable senator correctly, he said that the acceptance of grants from the federal authority created no infringement or attack on the rights of the provinces. But we are here dealing with grants earmarked for educational purposes within a province. If there is acceptance of such grants from the federal authority—grants of moneys collected from the citizens of Canada and which are above the ordinary needs of Canada—and if the grants are made under federal direction that they be applied to education, is not that, in the opinion of the honourable senator, contrary to the spirit and letter of the Constitution, which provides that education is a matter within the exclusive jurisdiction of the provinces? Especially is it not so when such grants are expressly directed to be used for university purposes?

Is it the opinion of the honourable senator that the provinces are not exclusively entitled, under section 93 of the British North America Act, to legislate fully in regard to education and all branches of education according to their own conception on matters of learning?

Does the honourable senator claim that the federal authority could direct the kind

of educational institution for which the surplus accumulated from federal taxes is to be utilized?

I do not deny for a moment that we are living in times when universities occupy, if not the first rank, a very important position in our society.

I ask the honourable senator to let us know whether he is of the opinion that the direction of funds for education and the direction of education through funds are, according to section 93 of the B.N.A. Act, matters within the exclusive jurisdiction of the provinces.

The Hon. the Speaker: That was more than a question.

Hon. Mr. Macdonald: With permission of the honourable junior senator from Winnipeg (Hon. Mr. Wall) may I ask the honourable senator from Mille Isles (Hon. Mr. Monette) a question: How does he regard the acceptance of the $26 million by the province of Quebec in view of the statement he has just made?

Hon. Mr. Monette: That is another question. I cannot touch the issue, nor was I a party to that so-called acceptance.

The Hon. the Speaker: Order. The Honourable Senator Monette put a long question to the Honourable Senator Wall. If questions are to be put to other senators who intervene it may not be possible for the Honourable Senator Wall to complete his speech. I think he should continue with his speech now and questions, if any, should be directed to him.

Hon. Mr. Wall: Honourable senators, with respect, may I say that I understand there are people, and they constitute a large segment of the Canadian population, who feel that that kind of acceptance of grants is an infringement. I accept that. Personally I do not feel that it is an intrusion, and I would like to point out that for many years, in fact as far back in 1911 and 1919, the federal Government passed agricultural and technical education acts authorizing grants which have been going out to all the provinces for many years, and there has been no really serious criticism of that kind of assistance by the federal Government for special educational purposes.

Now we have before us Bill C-56, which in my opinion is more open to the contention of invasion—and this time, also, of taxing rights—through a qualification inherent in this bill of the conjoint and unqualified right that provinces can use their constitutional tax incomes as they see fit. But the Ottawa bill is really qualifying that right by making Ottawa provisions which stipulate that the money so collected be used for educational grants. I refer honourable senators to lines 16 and 20, on page 2 of the bill, which set out certain conditions under which these grants will be permitted through provincial sources.

The only difference, and this position I find contradictory from Quebec's point of view, is that the provincial Government of Quebec by previous legislative enactment has agreed to what amounts to an amendment of the Constitution, because, for better or for worse, this bill is nothing less than a back-door method of changing the Constitution in regard to provincial rights—true, with the prior consent of the province involved—to which agreement other provinces may wish to subscribe at a later date. That remains to be seen.

If Parliament can do this, then this question arises in my mind: Can Parliament make this arrangement compulsory instead of optional? In other words, can Parliament in fact amend the Constitution to change the taxing powers of the provinces at the present time, with their consent, and later without their consent? Is it not a fact that it has been established that Parliament cannot delegate its taxing authorities either with or without provincial consent? If that is so, Parliament has no constitutional right to withdraw its taxing authority.

Honourable senators, as I read the bill in my simple and humble way, that is the problem that perturbs me a great deal. We are ostensibly finding a practical solution for a problem, and yet to me there is a serious doubt about the fact that perhaps we really are making a constitutional change. Upon that aspect of the question I would welcome the advice of anyone, either now or when the bill is in committee.

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

YUKON BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-59, to amend the Yukon Act.

Bill read first time.

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

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

Motion agreed to.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-348, for the relief of Leslie Robert Stickles.

Bill SD-349, for the relief of Philippe Simard.

Bill SD-350, for the relief of Estelle Caroline Lohnes Antilla.

Bill SD-351, for the relief of Yolande Marguerite Delorme Houde, otherwise known as Yolande Marguerite Delorme Cyr.

Bill SD-352, for the relief of Andree Edmonde Augusta Fontaine Barriere.

Bill SD-353, for the relief of Eleanor Jean Mott Taylor.

Bill SD-354, for the relief of Rose Van Embden Singer.

Bill SD-355, for the relief of Jack Emile Chiarella.

Bill SD-356, for the relief of Elaine Louise Robinson Solkin.

Bill SD-357, for the relief of Gerald Onie Shannon.

Bill SD-358, for the relief of Percival Verna Nathan.

Bill SD-359, for the relief of Valerie Elsie Price Perrault.

Bill SD-360, for the relief of Joseph Edmond Giroux.

Bill SD-361, for the relief of Allen Dwight Westover.

Motion agreed to and bills read third time and passed, on division.

MANPOWER AND EMPLOYMENT

SPECIAL COMMITTEE APPOINTED TO CONDUCT STUDY

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine:

1. That a Special Committee of the Senate be appointed to study and report upon the trends in manpower requirements and utilization in Canada, with the object of exploring the possibilities of maintaining and extending a high level of employment and, without restricting the generality of the foregoing, to inquire into and report upon the following:

(a) the growth of the economy and of other factors influencing employment opportunities, including particularly technological changes; and

(b) the growth and characteristics of the Canadian labour force.

2. That the said committee be composed of the Honourable Senators Blois, Bouffard, Brunt, Buchanan, Burchill, Cameron, Choquette, Connolly, (Ottawa West), Courtemanche, Croll, Emerson, Haig, Higgins, Hnatyshyn, Horner, Hugessen, Inman, Irvine, Lambert, Leonard, MacDonald, Méthot, Monette, Pratt, Reid, Roebuck, Smith (Queens-Shelburne), Thorvaldson, Vaillancourt, Wall, White and Wilson (32);

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

4. That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time.

Hon. Salter A. Hayden: Honourable senators, I want to say a few words on this resolution before the committee gets to work, and I was spurred in my desire to speak by reason of some of the views expressed in the debate thus far.

I start out by saying—and I don't think it will be difficult for me to be brief—that there is a very useful job of work to be done by this committee. I think the public expects us to deal with this job and to devote the best ability we have to work out the answers which we think best offer a solution for correcting the situation which exists in Canada.

We may very well call this a resolution dealing with manpower in Canada. But the public has already given a different name to it and to the work of the committee. They have attached to it the word "unemployment". In considering manpower the questions of employment and unemployment become very necessary adjuncts to such consideration. However, I cannot go to the extent to which some previous speakers went when they asserted that there was an obligation on the Government to find a job for every person. That philosophy may be supported in some countries of the world, but in my view it has no application in Canada. By that I do not mean that the Government has not a very serious responsibility in this regard, but certainly it has not the responsibility to back the payroll so that every person is assured of a job for the whole of his employable life.

As I say, the Government has a very serious responsibility. That responsibility has developed in an increasing way since the war period when Canada started to move from being essentially an agricultural country to becoming an industrial country. In this transition the character of our economy changed, as did the requirements of government and of private enterprise. The report of the Gordon Commission contains a statement which indicates succinctly the scope and the function of governments in this connection. When I refer to "governments", I speak not only of the federal authority but of the provincial authorities, and even of the municipal governments. The report says:

The objective of governments is to even out, or at least to moderate the peaks and valleys of

the business cycle; to restrain the level of economic activity to some extent in periods of boom and to stimulate activity in times of recession or depression.

In the change that has taken place in the economic life of Canada to which I referred a moment ago, employment, and therefore unemployment, became a national problem. In my view it became a problem in the same way as wheat became a national problem in Canada, and as did livestock, butter, eggs, and even sugar beets.

Hon. Mr. Brunt: You mention sugar beets for my benefit?

Hon. Mr. Hayden: Yes, for the benefit of the honourable senator from Hanover (Hon. Mr. Brunt). I mention also health insurance and family allowances. Those are items which at some stage or other were regional or local problems and which, in the course of the changing character of our economy, came to acquire a national significance; and anything that disturbs a particular item is a reflection in a national way upon the economy of Canada. I say that unemployment belongs in the category of the items I have enumerated, and many others could be included.

The question to determine is: What is the role of private initiative and what is the role of Government? It is nothing new for me to say that the roles of private initiative and Government are complementary. Throughout the whole history of Canada—certainly for a long period of time—that association did not acquire the importance which it has acquired since the war, and which must continue developing, because in our economy we have a changing situation. Our approach to it, and the policies that we adopt from time to time to deal with it, must be as flexible as the changing situation itself, and must be adaptable to meeting those situations.

I see the complementary roles of government and private initiative manifested in the operations of government since the war. We have in many phases the Government moving in to take its position so as to complement the role of private initiative. Might I just mention, for instance, the Export Credits Insurance Act, under which within the last year the Government gave authority to the body that is administering operations under that statute to provide direct and unconditional guarantees to banks and other financial organizations, and in addition to buy, sell and make loans on guaranteed export paper. The purpose of this was to make available sources of financing for the export of capital goods. That is one of the more recent phases or activities of government in this field.

We have many others. Tariffs are used for that purpose. Negotiations under GATT are used for the purpose of assisting Canadian industry in its domestic market and in the export markets, and the bargaining that goes on there is solely in recognition of the function of Government and the part it must play in the economy of Canada.

There are many aspects of the role which Government must play at the present time. I have enumerated just two of them, and there are many more. I could say, for instance, that the function of Government is to sit in a supervisory sort of way, possibly to the extent of having a ministry which would deal with these problems in an overall way. The Government must be in tune with the Canadian economy, its domestic and foreign markets, at every moment throughout the year, with the object in mind that we in Canada must maintain as high a level of employment as we can. That is essential to the maintenance of the standard of living to which we have become accustomed.

At the same time we must keep in mind that the Government must direct itself actively to protecting this situation; that while we stimulate the economy, at times it appears to be dragging because of factors in either the domestic market or the export market. It must also be ready to restrain by appropriate action any inflationary trend which may be developing.

At the present time I think it must be conceded that unemployment has reached the stage where it is a national problem. In the report of the Gordon Royal Commission I note this suggestion is made in the form of a question:

> . . . what is the maximum percentage of the total working force which should be idle or in process of changing jobs when we say that the Canadian economy has full employment in a practical sense?

The commission's conclusion, based on a study of statistics for the years 1951 to 1955, was that it was 3 per cent of the gross national product. The commission did, however, move up to 4 per cent, and then concluded with the figure of 5 per cent, which is the figure which actually influences the United States in its concern about this problem.

I would say again it is clear that that position has been reached in Canada, and that on the basis of these factors we are at a stage of less than full employment in a practical sense and, therefore, the time has come, if it has not already passed, when the Government should move into action in many directions in order to stimulate the economy.

Hon. Mr. Macdonald: Is not the figure 4 per cent of the working force?

Hon. Mr. Hayden: Yes, I am sorry; I should have said "working force".

May I just move on from that point for a moment, and say that I was very interested last night to hear the honourable senator from Queens-Shelburne (Hon. Mr. Smith) outline the problems of the Atlantic provinces. What struck me in that connection was that the Atlantic provinces not only have a problem which is common to other parts of Canada at the present time, namely, a substantial amount of unemployment, but also an aggravation of the problem by reason of their geographic location in relation to the substantial market in Canada in the central provinces. They have the added difficulty, even in times that might be regarded as normal, of trying to maintain close to as high, if not as high, a standard of living as is achieved elsewhere in Canada. So in the Atlantic provinces there are two problems, that of unemployment as it exists elsewhere in Canada, and their own basic problem that arises from the circumstances which I have just related.

These are problems which this committee should consider and analyse carefully, as to what is the role of Government. How is the Government going to complement private initiative so as to stimulate our economy to the extent that this lag in employment is overcome? It is in so many fields that you find problems which have led to unemployment that the Government might have to take many different steps in order to provide machinery which will correct this situation.

Let me state my proposition in this way: I say that the Government in its role in relation to a healthy economy and the maintenance of a high level of employment, which functions are complementary, must be flexible. It must be fully informed at all times so as to be able to move in and deal with particular circumstances that are disturbing the economy and leading to unemployment.

On the other hand we must recognize that due to conditions of geography and climate, we have in Canada what is called seasonal unemployment. In my submission this problem requires separate and direct treatment at a level influential enough to assure that the things which should be done would be done. If we were able to organize most of our operations on a twelve-month basis rather than a ten-month basis it would reduce the amount of seasonal unemployment. As an illustration, take Government purchasing requirements. If a complete study were made of the causes, locations, nature and extent of seasonal unemployment—and surely by now we should be able to chart those factors—the purchasing requirements of the Government could be geared to ensure employment on a twelve-month basis rather than having gaps which result in seasonal unemployment of anywhere from two to four months a year. If we could organize our major industries on the same basis we would effect a substantial reduction in seasonal unemployment. I am not attempting at this time to propound a solution for these problems. I am merely trying to place my finger on some of the difficulties and indicate the direction in which I think the committee should proceed in its inquiry.

Seasonal unemployment has been a part of our labour and employment picture for many years now, therefore statistics should be readily available as to when and in what parts of Canada we find it. Comparative studies could be made with conditions existing when there is no seasonal unemployment, and in this way perhaps we could find a solution. But that is only one facet of the overall problem.

We have the main problem of unemployment itself, and I think Governments at all levels must forever be alert to it. That is why I suggest that possibly we should have a department headed by a minister which would be kept fully informed on this problem at all times. Because of the flexible nature of our economy both in respect to our domestic market, owing to the influence of imports, and in our foreign markets, owing to the larger share of these markets which we must get if we are to achieve and maintain a high volume of employment, we must have some highly-placed person in a position of authority who is able to surround himself with the necessary force to gather and analyse information and come up with appropriate answers.

It has been suggested during this debate that the solution to unemployment is an easy one. I do not share that view at all. I think it is a very complex problem with many contributing factors. I do not feel that private initiative by itself can cope with the problem unless times become so buoyant that we cease to have any concern for money except as something to get and spend without regard to the future.

I say that the pre-World War II philosophy is not going to see us through our present difficulties, nor will it be of any value in years to come, for not only are we living in a changing domestic economy but we are influenced by changing economies all over the world. We have to be adaptable and adjustable, but first of all we have to gather and analyse information from other parts of the world. That may be a major undertaking for the committee, but if the committee is to do a good job at all it must determine the sources of present unemployment and analyse why this unemployment has come about

in specific areas. What are the reasons? In some cases the answer may simply be that markets have dried up. If you cannot restore a market or find a new one and an industry fails, then, of course, you have to encourage the development of new industries.

Reverting for a moment to the situation in Nova Scotia—and then all I shall speak about is the Unemployment Insurance Fund —we were told that at the present time there may be 115,000 to 120,000 persons receiving unemployment insurance in Nova Scotia.

Hon. Mr. Smith (Queens-Shelburne): In the Atlantic provinces.

Hon. Mr. Hayden: Yes, in the Atlantic provinces. I am not prepared to assume that Canadians are basically dishonest and are fraudulently qualifying for unemployment insurance, resulting in a rapid depletion of the fund. Until such evidence is adduced and that conclusion can be fairly drawn I must accept the situation as it appears to be, which is that the number of unemployed must at least equal the number of persons who have qualified for and are drawing unemployment insurance benefits. That is a major problem.

How are we going to deal with this basic problem in the Atlantic provinces? If I had time I could quote numerous excerpts from speeches made by responsible ministers of the present Government and of former Governments suggesting an answer to the chronic situation in the Atlantic region. They have said it is the inability to move at competitive rates the products of the Maritime provinces to central markets. So I would say, this being well known and well recognized, no matter how sturdy and self-reliant are the people of the Maritimes, until this basic and continuing problem of moving these products at a competitive rate is solved, the standard of business and employment generally in the Atlantic provinces will remain considerably below that enjoyed elsewhere in Canada. When you add to all this the unemployment factor on a national basis you aggravate an already distressing condition in the Maritime provinces. In that region of Canada difficulties are being created that are much greater than unemployment itself.

So far as the Atlantic provinces are concerned, I say the Government's role is two-fold. There is still the basic problem to be dealt with, which is known and acknowledged to have existed for years. As I see it, we should stop talking about what the basic problem is in the Maritimes and instead try to work out some answer to it. Certainly we must have the Atlantic provinces as part of Canada. Can anyone imagine Canada without them? Yet if the penalty to those provinces for being part of Canada is distance from substantial markets, with resulting inability to gain a standard of industrial operation which the rest of Canada enjoys, and if that is recognized as being the problem, then the time for us to deal with that problem is overdue.

To the extent that there is unemployment in the Maritimes by reason of the general unemployment situation in Canada, anything that is done to relieve that general situation should reduce the incidence of unemployment in the Maritimes.

Having discussed this problem, not too theoretically, I hope, though perhaps too briefly, because of the lateness of the hour and my desire not to weary my honourable friends, I should like to make some observations about the Unemployment Insurance Fund. Before doing so, however, I should like to throw out one or two suggestions to the committee on how I think the Government might step in to relieve unemployment generally, and also to relieve seasonal unemployment. At other times in our history, especially since the end of the war, we have made use of depreciation and depletion allowances by shortening the time in which a business may write off depreciation and depletion, as an encouragement to industry to undertake capital expenditures at one time rather than later. I suggest to the committee that there is a field which might be explored as a sort of standby weapon of the Government when its sensitivity meter tells it that the bloom is coming off the boom, or the bloom is coming off the employment situation in Canada, and that this is the time to move in with some projects so as to take up the slack.

For instance, the mining industry is granted an exemption period or a tax holiday of up to three years. We might possibly give consideration to extending exemption periods in relation to other natural resources and their development. We might give thought to the creation of a tax holiday period so as to encourage development under circumstances that would be less costly and therefore more encouraging for private enterprise to go into. Let us remember that in the end the Government benefits, because to the extent that a tax holiday is granted it is of benefit if the operation develops and produces income and profit, and if it produces income and profit the general wealth and employment of the country increase. This would create more spending power, and to that extent create a buoyancy in the economy.

Hon. Mr. Brunt: May I ask, purely for information, what other natural resources my honourable friend has in mind?

Hon. Mr. Hayden: In mining, the exemption period is three years. Some mining operations, particularly the more marginal ones, might be encouraged to operate if the exemption period were extended to five years. And I am thinking now, for instance, of the development of timber resources. Perhaps it could have a tax holiday. It is true that operations in that field have a depletion allowance, and in the beginning it may be that such an allowance is enough to eat up any amount of earnings.

Hon. Mr. Brunt: What about farming?

Hon. Mr. Hayden: Well, I thought the farmer was supposed to be depleted all the time.

Hon. Mr. Brunt: Let us give the farmers a tax holiday for a change.

Hon. Mr. Davies: May I ask the honourable gentleman a question? The Government has to have a certain amount of revenue, and it obtains it by way of taxation. If certain so-called seasonal employers are given further concessions in the matter of taxation, will those businesses which go along on an even keel year after year not have to make good any deficit?

Hon. Mr. Hayden: No. I tried to explain a moment ago that this is something that feeds on itself. That was proven during a period since the war, when the Government, in order to get capital projects under way, allowed companies certain write-offs by way of depreciation and depletion. The Government revenues did not suffer. The particular taxpayer was able to get back faster the capital dollars that he spent, and more employment was provided. Therefore, in the whole field more income was generated and more people paid taxes. In my submission that more than compensates for the effort to provide incentive to get these things done faster.

I wish to make clear at this time that I am not making a pronouncement, but I am putting to the committee the suggestion that this is a field for very serious consideration by it. If I may, I will pose the question for consideration along this line: To what extent should adjustments and allowances be granted for depreciation and depletion as incentives in order to deal effectively with seasonal unemployment, and in order to reduce the incidence of unemployment generally as it may arise in our economy? To what extent would such adjustments and allowances be a factor if properly made and if the symptoms of the disease were recognized in time?

Hon. Mr. Kinley: What is the good of adjustment and allowances without profits?

Hon. Mr. Hayden: Let me put it this way. Every company that plans a capital project expects to make money. If it does not succeed in doing so, the employees suffer and the Government loses tax revenues it would otherwise obtain. The company itself suffers because its property may be sold at a fraction of its values, and somebody else starts all over at a lower cost. But there has not been too much of that in the history of Canada since the end of the war. People who plan capital projects plan them by making projections of what the economy of the country is going to develop to over a period of years. At times they can be encouraged to undertake projects sooner if there are compensating advantages for so doing. However, modern business is alert every day to what its costs are and to what its cash flow is, so that the possibility of incurring substantial capital expenditures and not making any money afterwards is reduced to, let us say, as low a calculated risk as possible.

I come now to the subject of unemployment insurance, and I may shock honourable senators with some of the things I am going to say.

First of all, under the unemployment insurance scheme, the employer and the employee were required to contribute definite percentages of 40 per cent each and the Government contributed 20 per cent, and there was an upper limit of the salaries which would be subject to the contributions and whose recipients would get benefits under the plan. It was at a most desirable time—early in the war period—when this fund was created and brought into operation. I had the privilege, I think in the first year that I was a senator, of sitting in as a sort of unofficial observer on the meetings of the Commons committee that was considering the bill and I feel I know something of origin of the act. I have watched it fairly closely since, and certain changes that have been made—the extension of the availability of this fund to those who are seasonally unemployed, the increase in the contributions required from employers and employees, and the extension of the period of benefit—have given me some concern. The fund has been contributed to in very substantial measure by many people who have never had occasion to participate in its benefits, and the recent very substantial reduction in the fund should be cause for worry by those people. I say it was unfair, and I think unreasonably so, that the fund should have been called on to bear the load of seasonal unemployment. I think that should have been dealt with as a charge on the general revenues of Canada and not as a charge on this special fund that was

contributed to in such substantial measure by employers and employees in Canada.

If there has been any raiding of this fund by employees—I am not saying that there has been—it may very well be that the people who have contributed for years to this fund, seeing the fund going down so materially, are now getting disturbed to the point where they might say they have so much money in the fund now that it is time they were getting something out of it before the fund disappears in smoke.

There is no guarantee of any kind that I can find from any source of the solvency of this fund. Unless we either arrest the rate at which it is going down, by changing the rules for access to the fund, or very quickly solve the question of unemployment, the fund will fall to a level where it may very well be insolvent and have to be supported by increased levies or loans or contributions from the Government. I say that the fund, having regard to its origin, should be regarded as sacrosanct, in the sense that it is composed of trust moneys and they must be protected for the people who have made the contributions and who may run into some temporary misfortune. My concept of the Unemployment Insurance Fund is that it was not intended to cover a man who is out of work for a year. I do not think that was the intention originally. This fund was supposed to tide people over for periods of temporary unemployment.

Now I think there may well be certain abuses in the fund. I would call them abuses but possibly they are perfectly legal, having regard to the rules for access to the fund as they presently are. I am sure that a number of people who have earned a pension from their employment and are now receiving their pension payments have sought employment here, there and elsewhere for temporary periods and then have gone on to the fund for a period to supplement their pensions. In my view that was not an intention of the Unemployment Insurance Fund at all. I do not think that those whose period of employment is ended and who are on pension should be able to qualify for unemployment insurance benefits. It will be very interesting to know the extent to which that has obtained over the last few years.

Hon. M. Brunt: That is, regardless of the amount of the pension received?

Hon. Mr. Hayden: Regardless of the size of the pension, yes.

Hon. Mr. Brunt: Do you say that no one in receipt of an old age pension should be able to draw any benefits from the fund?

Hon. Mr. Hayden: I am talking about every conceivable kind of pension. When the Unemployment Insurance Fund was set up I do not think it was intended to be abused in this way, to provide benefits to people to whom the Government has already provided a pension.

Hon. Mr. Brunt: According to that argument, everybody over seventy and in receipt of an old age pension should be ineligible for benefits from the Unemployment Insurance Fund, no matter what he contributed to it, even though he is legitimately out of employment. I presume that is what you mean.

Hon. Mr. Hayden: No. My friend is trying to box it into a narrower concept than I did. I was referring to the person who is on pension after his period of employment.

Hon. Mr. Brunt: And I am asking whether your remarks applied to all pensions.

Hon. Mr. Hayden: What I was referring to a little while ago was a person on pension after having completed his required service of employment.

Hon. Mr. Brunt: I did not hear those words.

Hon. Mr. Hayden: Even though he unsuccessfully seeks employment he should not be able to have recourse to the Unemployment Insurance Fund. That fund is there as a protection to a man during the period of his useful employment up until the time he retires and goes on pension.

Hon. Mr. Davies: You are speaking now, I understand, of industrial pensioners?

Hon. Mr. Hayden: Yes, or Government pensioners, after they have served their period of employment. If I said anything that would suggest I was including the old age security pension, I want to make a correction.

Hon. Mr. Brunt: I understood from your previous remarks you included everybody getting a pension.

Hon. Mr. Hayden: No. I added the qualification, "when his period of employment has ended," and now I have reaffirmed it. The old age security is something entirely different. In the ordinary way, having regard to pension plans at the present time I do not think very many people would still be fully employed at 70 and contributing to the Unemployment Insurance Fund, so the period in which they would be eligible to draw on it would have ended before they reached age 70.

Hon. Mr. Davies: If a man or a woman employed at age 70 and receiving an old

age pension is entitled to unemployment insurance, for how long could the benefits be drawn?

Hon. Mr. Hayden: Under the present arrangement, up to 52 weeks, a whole year.

Hon. Mr. Reid: A whole year. What about the fishermen in British Columbia earning $14,000 a year? They are on it too.

Hon. Mr. Brunt: I have heard of one earning $50,000 a year being on it.

Hon. Mr. Hayden: Honourable senators, may I just summarize? I am not trying to lay down policy for the committee. I am trying to indicate, and I hope I have succeeded in doing so, that the committee has a very useful purpose to perform. No matter how we feel about it, I think the committee has to devote itself seriously to that purpose and it must have the necessary help. First of all, it will have to lay down a plan of procedure, and, secondly, apply itself to the gathering and analysis of the necessary materials and try to find an answer to all these questions. And I should think the committee would fail in its task if it does not include in its study a very wide and complete survey of the relationship of the Government in all its various aspects to the economy of Canada and to the changing situation that is developing in that economy.

Further, I say that the attention of the committee should be directed to the end that there be some machinery which would be alert to the onset of trouble. In this case mechanisms would not do, nor would barometers, or thermometers. What is needed is an organization sufficiently intelligent and educated, and with adequate authority to act, to be on top of the play all the time. In that way we would be alert to the problem.

In business we get projections, as we do in Government; we even get projections a year ahead as to surpluses or deficits. Therefore, in the field of economics and its possible effect on employment we can surely get projections which may be so sound and reasonable as to form a base for plans of a standby nature, so that governments could move in with private industry to stimulate a lagging or sagging market, and in boom times to exercise some restraint in buying and spending.

Honourable senators, I have one other thing to say, and though it may sound a little political, it is not intended to be such. I do not like the composition of the committee, with an even division of members from each side of the house. When I looked at the membership, and counted 16 members from each side, I asked myself, what political consideration entered into this question? Because if the setting up of the committee were politically designed, it would not have been set up in any different way. Its set-up is against any precedent in the Senate, where we select the personnel on the basis of the number of senators on each side of the house. Never in my twenty years in this house have I run into the problem of what might be called a political play in any committee, and certainly not in the constitution of any of our special committees. That is the reason I asked myself, what is the political consideration for so constituting this committee? Is this question so full of political dynamite that the committee had to be organized in such a way that its function could be stymied or frustrated at any time it appeared to be getting out of hand in a political sense? These are questions which concern me.

After twenty years in the Senate I have come to like this house and the people in it. I don't want to be misunderstood in my remarks, because there is no honourable senator who is named to that committee whom I would not myself select to serve on it or any other committee. But when I see the membership divided between the Government and the Opposition on a 50-50 basis, as far as I am concerned we start off with the situation that somewhere along the line some individual or some group of persons has the idea that there should be an even split as between sides so that the operations of the committee can be controlled.

Honourable senators, I have talked to you very frankly on that point, because that is the feeling I have.

My next question, honourable senators, and I may be just as frank in my views about it, is this: Was the agreement to have on the committee an even number of members from each side of the house actuated by the view that the only way we could get the co-operation of the Government was by so constituting the committee?

I would prefer to see the committee set up in such a manner as to be independent in its consideration of the problem before it. Indeed, the Senate should be independent in choosing what problems it is going to consider. When it decides it is going to study a problem, it should proceed independently of any consideration other than the good of the country and the ability of the Senate to deal with it.

Motion agreed to.

LASALLE-CAUGHNAWAGA BRIDGE BILL

SECOND READING

Hon. Gustave Monette moved the second reading of Bill S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence River at or near the town of LaSalle, in the province of Quebec.

He said: Honourable senators, the hour is late, but there is good reason why it is necessary to explain this bill on second reading today. If the bill receives second reading I shall move that it be referred to the appropriate standing committee for further consideration.

The bill before us authorizes the construction of a bridge and its approaches over the St Lawrence River near the town of LaSalle, close to the city of Lachine, to the village of Caughnawaga, all in the province of Quebec.

At this point I should like to quote section 2 of the bill, as follows:

> Subject to this act, the Province of Quebec (hereinafter referred to as "the Province") is hereby authorized to construct and maintain a bridge and its approaches, for the use and passage of persons, vehicles and goods, across the St. Lawrence River from a point at or near the Town of LaSalle, Quebec, to a point at or near the Village of Caughnawaga, Quebec.

The town of LaSalle, bordering on the St. Lawrence River, is adjacent to the city of Lachine, from which it is separated by the Lachine Canal, which commences at Lake St. Louis about a mile above the proposed location of the new bridge. Between the proposed bridge location and the commencement of the canal is the Canadian Pacific Railway bridge, which carries a railway line going south to St. Johns, Farnham, and on to the United States. Along the south shore, at Caughnawaga, is the St. Lawrence Seaway canal, having left Lake St. Louis a little farther upstream, and which runs for the most part within the St. Lawrence River, passes by the cities of Laprairie and St. Lambert, and continues on past the Victoria and Jacques Cartier bridges, where shipping leaves the canal and passes into the open river, and on down to the sea.

Honourable senators will remember a visit they made to this area at the time of the opening of the seaway. I gathered the impression that all our visitors were very enthusiastic about the ceremony on that great occasion.

Hon. Mr. Dupuis: May I ask my honourable friend one question? Is the bridge which this bill proposes to authorize to be independent of the Honoré Mercier Bridge?

Hon. Mr. Monette: I am coming to that point shortly.

As honourable senators are aware, there are two bridges across the St. Lawrence River from Montreal to the south shore, namely, Victoria Bridge and Jacques Cartier Bridge. A third bridge is in process of being constructed from a point at the city of Verdun, over Nuns Island, to a point in the county of Laprairie. The proposed new bridge will be somewhat adjacent to the Honoré Mercier Bridge, which was built some years ago.

If honourable senators will allow me, I should like to give some information as to the importance of the Honoré Mercier Bridge, and of this proposed adjacent bridge. Apart from serving the ever-increasing requirements of traffic, the bridge is a great convenience to tourists. All honourable senators, I am sure, and many Canadians from Ontario and the western provinces as well, know that the main interprovincial road from Ottawa to Montreal goes through Ontario south of the Ottawa River, and then through Quebec to Vaudreuil where it crosses the Ottawa River to Ste. Anne de Bellevue, and follows the north shore, through the city of Lachine, to a point above the city of St. Pierre aux Liens situated close to the Lachine Canal, and only a mile and a half from the Mercier Bridge with which we are dealing, and from there the bridge crosses over the St. Lawrence River to Caughnawaga, which is on the south shore. Just after leaving the bridge the road divides, one section going in a southerly direction through the counties of Chateauguay, Beauharnois and Valleyfield to the border, and the other in an easterly direction through the counties of Laprairie, the city of St. Johns and on through the Eastern Townships to the border. Both are well-travelled highways to Lake Champlain and the State of New York and surroundings. The Richelieu River takes the waters from Lake Champlain through St. Johns and Sorel. And, honourable senators, there is a great expectation that from the Richelieu Seaway, as it is sometimes referred to, there could be built, from St. Johns, a branch canal directly to the port of Montreal.

In the opinion of many, including myself, an adequate enlargement of the Mercier Bridge at Caughnawaga is of paramount importance to the province of Quebec in particular, as well as to Canada as a whole in view of our social, political and economic relations with the United States of America

I would like to give a short general outline of the legal aspects of the bill.

Chapter 193 of the Revised Statutes of Canada (1952) as amended by Chapter 41

of the Statutes of 1956 provides general legislation for the protection of navigable waters. Section 4 reads:

(1) No work shall be built or placed in, upon, over, under, through or across any navigable water unless

(a) the site and plans thereof have been approved by the Minister; and

(b) the work is built, placed and maintained in accordance with the plans and the regulations.

The Acting Speaker (Hon. Mr. Choquette): Honourable senators, I must remind you that it is now 6 o'clock, and that it is only with leave of the Senate that the honourable senator may continue his speech. Has the honourable senator leave to continue?

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Monette: I thank you, honourable senators.

I would point out, however, that section 11 of the statute provides:

No approval shall be given under this Part of the site or plans of any bridge over the River St. Lawrence.

So, the Governor in Council is not authorized to approve this undertaking. That is the reason why this bill is before Parliament.

It must be realized that the measure before us is a public, rather than a private, bill. As I explained, the bridge is in the interests not only of the local area but of a large section of the provinces of Quebec and Ontario, as well as of western Canada, generally. The bridge will be built by the provincial Government of Quebec at an estimated cost of $6 million, and the approaches on the island side are estimated at $4 million. Of course, there is much work to be done there.

Hon. Mr. Macdonald: Did the honourable senator say who was going to pay the cost? Is the province of Quebec going to bear the whole expense?

Hon. Mr. Monette: The honourable senator's mind is quicker than my perusal of my notes; I am just coming to that point. The cost of the bridge is to be borne by the province of Quebec.

The St. Lawrence Seaway Authority, upon the request of the province, when raising the span of the approach to the existing bridge to a higher elevation over the Seaway Canal on the south shore, built a four-lane approach to the two-lane Mercier Bridge. This request by the province was made with a view to improving the movement of motor traffic at the end of Montreal Island by building two additional lanes.

On the north side of Montreal Island is situated Ville La Salle, an industrial district, where there are more than 75 large industrial plants in operation, 20 of which are quite near the bridge site. I refer to such companies as General Foods Limited, Labatt's Breweries Limited, Distillers Corporation Seagrams Limited, Burroughs Welcome and Company (Canada) Limited, and others. An improved access to the south shore in that area will certainly constitute a major asset to the economy of those industries, and of the country in general.

The Government of the province of Quebec has included in this year's estimates an amount of $5 million allocated to bridge improvements. Because of the serious traffic congestion over the three bridges the provincial authorities feel that this project is of great urgency. Also, the fact that the four-lane approach built by the St. Lawrence Seaway Authority converges on to the two-lane bridge makes this the scene of many accidents, including one fatality last winter.

The province is ready to start work on this project as soon as permission is granted and plans are approved. I mention that to explain the huge amount of money required for the approaches on the island side. I would like to draw to your attention, honourable senators, that the Mercier Bridge is not a toll bridge, and I am informed that it will not be one in the future.

May I here give some respective elevations? All the elevations I shall now mention are referred to as geodetic bench marks, and are in relation to mean sea level elevation. The elevation of the floor of the bridge is 129.3 feet. The elevation of the water level of the St. Lawrence River at the site of the bridge is 62.6 feet. This means that during flood water the clearance under the bridge will be 55 feet. The floor of the bridge at the island end is 15 feet, more or less, above ground elevation. At the south end of the bridge the St. Lawrence Seaway Authority built the approach to their own specifications. I have not the figures, but the elevation there is quite high above the ground.

For the convenience of future navigation on the St. Lawrence River, which will be made possible by the construction of a dam at the end of the Lachine Rapids by the Quebec Hydro-Electric Commission the clearance under the new bridge will be the same as under the existing Mercier Bridge and the Canadian Pacific Railway Bridge. All three bridges over the river there will have the same clearance. The approximate distance between the dam and the Mercier Bridge is about 4 miles. The bridge will be 2,960 feet long, having two 13-foot lanes. It will consist of thirteen spans, ten of which will be 235 feet long and one of which will be 400 feet long. This is to accommodate the contemplated navigation on the river. The two bridges will use the same approach on the

south shore. However, the new structure will be a few hundred feet downstream from the existing bridge on the island end. The new bridge will be built at the same elevation as the existing one.

I have spoken of the 400-foot span to accommodate navigation. The reason for this long span is that the Lachine rapids are about four miles below the bridge, and it has been planned by experts to build a dam below the rapids in the vicinity of Heron Island. This will have the effect of considerably raising the water level under the proposed bridge.

There has been great industrial development below the bridge site at Ville La Salle and also above the bridge site at Lachine, and these centres will now be open to commercial navigation. Ships will be able to come from below Jacques Cartier Bridge and pass through the locks of the new dam near Heron Island. After unloading and perhaps taking on new cargo the ships could either sail down the open river beyond the Jacques Cartier Bridge or re-enter the Seaway canal at that point and sail inland up the St. Lawrence River.

Hon. Mr. Lambert: Will the construction be wholly of steel?

Hon. Mr. Monette: I am not able to say.

I want to give honourable senators this brief picture of the proposals, and if the bill is given second reading I propose to move that it be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Macdonald: Is it proposed that this will be a toll bridge?

Hon. Mr. Monette: No, it is not to be a toll bridge.

May I conclude with a few remarks in which I am sure the honourable senator from Rigaud (Hon. Mr. Dupuis) will concur? Up until lately the town of Caughnawaga was in the county of Laprairie, which my honourable friend from Rigaud served so well in the House of Commons at one time. Caughnawaga is an Iroquois reserve, and during the early days of French possession bands of Iroquois would set out by canoe from far up the St. Lawrence River and stop off at the point which is now Caughnawaga, though there was no settlement there at the time. There the Indians would make preparations to shoot the rapids in their canoes. One band that stopped there decided to remain, and they became the first Iroquois to be converted to the Christian faith. They gradually became friendly with the white people in that district.

So I would suggest to honourable senators that when they tour this part of the country and cross over the new bridge they should visit Caughnawaga. There they will find one of the most interesting and friendly Indian reserves in all of Canada.

Hon. A. K. Hugessen: Honourable senators, this is a very necessary and welcome bill as I think anybody who has had to travel over the Mercier Bridge will readily testify. The Mercier Bridge crosses the St. Lawrence River at Lachine. It was built some thirty years ago and has served as a communication link between the Island of Montreal and a very large and important area to the south. It is a two-lane highway and has become grossly insufficient for the continually increasing amount of traffic it is called upon to bear. That is particularly so because on the south side of the present Mercier Bridge the St. Lawrence Seaway Authority has constructed extensive four-lane approaches, while on the north side there are equally extensive multiple-lane highways leading from the town of LaSalle toward the Mercier Bridge. As a result, this bridge has become a bottleneck, and conditions there have become deplorable, particularly on weekends.

The province of Quebec wishes to construct a bridge parallel to and relatively close to the present Mercier Bridge, with each bridge being used as one-way highways running in opposite directions. Thus there will be a four-lane traffic system across the bridge, connecting, as my honourable friend from Mille Isles (Hon. Mr. Monette) said, the increasingly important industrial area comprising that part of the Island of Montreal on the north side and the area close to Caughnawaga on the south side, which is becoming equally important industrially.

Hon. Mr. Macdonald: When the bill goes to committee I hope there will be maps of the district available so that those of us who are not familiar with the immediate geography around Montreal will have some idea just where this bridge is to be located.

Hon. Mr. Aseltine: The honourable senator who sponsored the bill (Hon. Mr. Monette) has a very detailed map, but as it would not be feasible for him to show it in the Senate chamber I suggested that he make it available in committee.

Hon. Mr. Monette: I have a map to display in committee and there will be an engineer present to answer questions.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Monette, bill referred to Standing Committee on Transport and Communications.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 19, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled the following:

Report on Operations under the Fisheries Improvement Loans Act for the fiscal year ended March 31, 1960, pursuant to section 12 of the said Act, being Chapter 46 of the Statutes of 1955. (English and French texts).

Report on Operations under the Veterans' Business and Professional Loans Act for the fiscal year ended March 31, 1960, pursuant to section 13 of the said Act, being Chapter 278, R.S. 1952. (English and French texts).

The *Canada Gazette*, Part II, Statutory Orders and Regulations Consolidated Index and Table of Amendments for the period January 1, 1955, to March 31, 1960. (English and French texts).

Statutory Report on the Activities of the Food and Agriculture Organization of the United Nations for 1959-60, pursuant to section 3 of the Food and Agriculture Organization of the United Nations Act, being Chapter 122, R.S. 1952. (English and French texts).

PRIVATE BILLS

NORTHERN PIPE LINE COMPANY—REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-21, to incorporate Northern Pipe Line Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Hnatyshyn: Honourable senators, as I shall be away next week, may I ask that, with leave of the Senate, this bill be read the third time now?

Hon. Mr. Reid: It is surely rushing things to pass a bill of this kind immediately.

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

Motion agreed to.

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY—REPORT OF COMMITTEE

Hon. Harold Connolly (Halifax North), Acting Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company, and had directed him to report the same to the Senate with the following amendments:

1. Page 2, line 4: Strike out "herein contained" and substitute therefor "in this act".
2. Page 2: After clause 5, add clause 6, as follows:

"6. Nothing in this act shall release either of the companies from any of its contractual obligations."

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

Hon. Mr. Connolly (Halifax North) moved that the report be placed on the Orders of the Day for consideration on Tuesday next.

Motion agreed to.

LASALLE-CAUGHNAWAGA BRIDGE BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, reported that the committee had considered Bill S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence River at or near the Town of LaSalle, in the province of Quebec, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Monette: Honourable senators, with leave, I move the third reading of the bill now.

Hon. Mr. Reid: Why the hurry?

Hon. Mr. Monette: Honourable senators, I might explain that after the second reading yesterday the bill was referred to the Standing Committee on Transport and Communications, and this morning there was a hearing on the bill at which there was a large attendance. Questions were put to the officers who were there and they gave what I thought were full answers and explanations. However, as to the third reading, I am in the hands of the Senate.

Hon. Mr. Macdonald: Honourable senators, I do not think there is any great urgency requiring the passing of this bill forthwith. If there were I would not object to the third reading today. As it appears to be a more or less routine bill of this type I think it should stand over for third reading until next Tuesday. I do not know how there would be any advantage to anyone in our giving the bill third reading today, and I suggest it stand over until next Tuesday.

Hon. Mr. Monette: Honourable senators, I do not feel I can resist that. Unanimous consent is of course necessary in order to have third reading of a bill on the day it is reported from committee, and such consent is frequently given. I now move that this bill be placed on the Order Paper for third reading at the next sitting.

Motion agreed to.

DRUG ADDICTS

TREATMENT IN BRITISH COLUMBIA

Hon. Thomas Reid inquired of the Government, pursuant to notice:

1. Following the announcement made by the Honourable the Minister of Justice on his recent visit to the British Columbia Penitentiary suggesting some form of treatment of Drug Addicts by the provincial Government of British Columbia, has any such proposal been made officially to the British Columbia Government?

2. If so, have the provincial authorities of British Columbia indicated any real interest in the matter or agreed to a proposal of treatment as suggested by the Honourable the Minister of Justice?

Hon. W. M. Aseltine: Honourable senators, the answer to this inquiry is as follows:

1. A letter dated May 13 was sent to the Honourable R. W. Bonner, Attorney General of British Columbia, proposing early discussions between officials of the two Governments on this matter.

2. No official comment has been received yet.

PSYCHIATRISTS EMPLOYED BY DEPARTMENT OF JUSTICE

SUPPLEMENTARY ANSWER TO INQUIRY

Hon. W. M. Aseltine: Honourable senators, I now have a supplementary answer to the inquiry of the honourable senator from De la Durantaye (Hon. Mr. Pouliot), which was inquiry No. 2 of March 29, 1960, regarding psychiatrists employed by the Government. In so far as the answers given at page 524 of *Hansard* are concerned and with reference to the complaint of the honourable senator as reported at page 550, the following should be noted:

1. The first two parts of the question related to psychiatrists "employed by the Government of Canada" and the answers were given with respect to those who are employed in the usual sense of that word—that is on a full-time basis.

2. The further two parts of the question related to recommendations for clemency in capital cases, "that might have been made by those psychiatrists".

Therefore, since the full-time psychiatrists do not make reports in this connection, no specific answer could be given, but a general reference was made to our practice of retaining Drs. Cathcart, Huard and Côté in respect to individual cases.

Since it now appears that the honourable senator, when he said that the Senate should be informed with respect to a particular psychiatrist as to what has been paid to him and what he has reported to the department, desired information not only with respect to psychiatrists employed by the Government in the sense in which those words were first understood, but also with respect to those who were retained by the department on an individual case basis, the following supplementary information is supplied:

1. *Dr. J. P. S. Cathcart:*

Year	Fees	Disbursements	Total
1950–51	—	588.15	588.15
1951–52	100.00	—	100.00
1952–53	421.25*	—	421.25
1953–54	945.00	350.60	1,295.60
1954–55	150.00	9.45	159.45
1955–56	250.00	54.60	304.60
1956–57	120.00	50.90	170.90
1957–58	300.00	100.00	400.00
1958–59	2,100.00	1,268.29	3,368.29
1959–60	2,200.00	1,598.74	3,798.74
1960–61	175.00	37.40	212.40
TOTAL	6,761.25	4,058.13	10,819.38

* Unable to determine breakdown between fees and disbursements.

2. *Dr. J. A. Huard:*

Year	Fees	Disbursements	Total
1950–51	—	—	—
1951–52	—	—	—
1952–53	200.00	—	200.00
1953–54	400.00	—	400.00
1954–55	250.00	—	250.00
1955–56	—	—	—
1956–57	—	—	—
1957–58	—	—	—
1958–59	750.00	—	750.00
1959–60	1,000.00	—	1,000.00
1960–61	—	—	—
TOTAL	2,600.00	—	2,600.00

3. *Dr. F. Côté:*

Year	Fees	Disbursements	Total
1950–51	—	—	—
1951–52	—	—	—
1952–53	—	—	—
1953–54	—	—	—
1954–55	—	—	—
1955–56	—	—	—
1956–57	—	—	—
1957–58	—	—	—
1958–59	—	—	—
1959–60	150.00	—	150.00
1960–61	—	—	—
TOTAL	150.00	—	150.00

With respect to what has been reported to the department by the psychiatrist retained for a specific examination, it should be emphasized that in preparing capital cases for review by the Governor in Council, the present practice of the Department of Justice is to have any psychiatric examination deemed necessary performed by a practising psychiatrist other than a member of the staff of a department of the Government of Canada. It is no part of the function of the psychiatrist to make any recommendation with respect to the exercise of clemency; his function is to make a psychiatric examination and furnish his report and opinion with respect to the mental state of the individual examined only. Therefore, the psychiatrist in any of those cases has no authority whatever to make any specific recommendation for or against clemency.

CANADA COUNCIL

REPORT REFERRED TO FINANCE COMMITTEE

Hon. W. M. Aseltine moved, pursuant to notice:

That the report of the Canada Council for the year ended March 31, 1959, laid before the House on July 14, 1959, be referred to the Standing Committee on Finance in order to provide a review thereof, pursuant to section 23 of the Canada Council Act.

He said: Honourable senators, may I make a brief explanation of the necessity for this motion?

On March 18, 1959 I introduced a similar motion, which was passed, and the report of the Canada Council and the Auditor General's report on the balance sheet for the Canada Council were later considered at two very satisfactory meetings of the Finance Committee. Section 23 of the Canada Council Act, which I placed on the record in my remarks last year, requires that the reports of the council and the Auditor General be considered each year by Parliament, which of course includes the Senate. I also placed on record section 22, which requires the auditing of the council's accounts.

The Finance Committee's meetings of last session were attended by the Auditor General and the Honourable Brooke Claxton, Chairman of the Canada Council. I hope that the motion now before the house will be approved, and that the matter will be considered by the committee in the near future.

Motion agreed to.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "CLOSE-UP"

On the Orders of the Day:

Hon. W. M. Aseltine: Honourable senators, before the Orders of the Day are proceeded with I should like to refer to the remarks made yesterday by the honourable senator from Fredericton (Hon. Mrs. Fergusson). Immediately after the honourable senator spoke I had copies of the transcript of her remarks delivered at once to the offices of the Minister of Justice and the Minister of National Revenue, who reports to Parliament for the Canadian Broadcasting Corporation. I am advised that the matter was immediately brought to the attention of the president of the corporation, Mr. J. Alphonse Ouimet.

Hon. Mr. Roebuck: With what result?

Hon. John J. Connolly: I think I know the result, honourable senators. I understand the program has either been cancelled completely or has been changed. In any event, there is a new program for "Close-Up" this evening which will be a discussion of the Summit Conference. It will be participated in by Mr. James Reston, the eminent correspondent of the New York *Times*, Mr. Justice Douglas of the Supreme Court of the United States, and the Leader of the Opposition in the other house, Mr. L. B. Pearson.

Having regard to this fact, I think that the honourable senator from Fredericton (Hon. Mrs. Fergusson) has rendered a great service.

COMMONWEALTH TRADE

NOTICE STANDS

On the notice of Hon. Mr. Pratt:

That he will draw the attention of the Senate to the Twentieth Congress of the Federation of Commonwealth and British Empire Chambers of Commerce, held recently in Canberra, Australia, and that he will bring forward for consideration information and suggestions arising from the Congress discussions relative to the promotion of trade within the Commonwealth.

Hon. Mr. Pratt: Honourable senators, I am agreeable to having this stand until after the second order of the day has been proceeded with.

Hon. Mr. Aseltine: I might say, honourable senators, that in order to get ahead as far as possible with orders Nos. 1 and 2 I suggested to the honourable senator from St. John's West (Hon. Mr. Pratt) that he make his speech later this day, after we have considered those two orders. I hope the Senate will agree to that.

Hon. Mr. Roebuck: What about the third order? That was on the Order Paper for yesterday and was talked out. Why should it be talked out again today?

Hon. Mr. Aseltine: Then, would it be agreeable to the honourable senator from St. John's West to postpone his speech until after the third order has been disposed of?

Hon. Mr. Pratt: Yes.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Choquette for the second reading of Bill C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

Hon. Gustave Monette: Honourable senators, yesterday I moved adjournment of the debate on the motion for the second reading of this bill. At that time I had intended to make some remarks of a rather general nature about this bill, its relation to the Constitution, and so on. It has so happened that since then I was kept busy with the La-Salle-Caughnawaga Bridge Bill, which I sponsored in this chamber yesterday and also before the Transport Committee this morning, so I am not prepared to speak at length on the Tax-Sharing Arrangements Bill today. In the circumstances I have decided not to move further adjournment of the debate, as I should like the bill to go to committee as soon as possible. After the second reading I will move that it be referred to the Standing Committee on Banking and Commerce.

Hon. A. K. Hugessen: Honourable senators, I wish to make a few remarks respecting this bill.

I think that the first thing I should say is that we are very much indebted to the honourable senator from Ottawa East (Hon. Mr. Choquette) for his lucid explanation of the bill.

Together with the honourable senator from Alma (Hon. Mr. Molson), who unfortunately is ill at the present time, I have had a certain amount to do with the position which this bill is designed to cure, both of us being Governors of McGill University, one of the Quebec universities which have been very seriously affected by the situation which has existed in our province during the last seven years with respect to university grants.

We of the Quebec universities were put in the rather impossible position, on the one hand, of being offered substantial grants from the federal treasury, grants of which we were very urgently in need both for additional facilities which were badly required and for increases in salaries of our professors,

which were even more urgently required; and, on the other hand, of being in effect told by the then Premier of our province that these grants to Quebec universities were an infringement by the federal authority on the exclusive rights of the province in the matter of education; and perforce we could not accept these grants in such circumstances, particularly by reason of the fact that to some extent all Quebec universities depend upon substantial grants which they get from the provincial Government.

I want for a moment to discuss this very question which put the universities in Quebec in this most unfortunate position, the question whether federal grants to universities out of federal taxation constitute federal interference with education. I suppose the question might be put in an even broader way: If one government body contributes money to the support of another government body or some other organization for reasons which seem good to the contributing body from the point of view of public policy, does it mean that the Government which makes the grant exercises any measure of legislative or administrative control over the body in whose favour the contribution is made?

The former Premier of the province of Quebec answered that question very emphatically in the affirmative. I frankly disagree with that view. I think we have got to make a very clear distinction between voting money by some Government authority for some particular object out of taxes collected from the taxpayers, and exercising control over the object for which those moneys are granted. The basis of the objection made by the Premier of Quebec to these federal grants depends upon the statement contained in the British North America Act with respect to education. Section 93 of this act starts out:

> In and for each Province the Legislature may exclusively make Laws in relation to Education, . . .

I would be disposed to question very strongly the statement that the federal Parliament voting moneys for the support of universities throughout the country constitutes a law in relation to education. Basically it is a law in relation to the way in which this Parliament desires public moneys to be spent, and if you are going to say that the federal Parliament cannot vote any amount of money for any purposes except those over which it has exclusive control, then you are going very far indeeed.

Let me give one other example of this. Under section 92 of the British North America Act the Legislatures of the provinces have exclusive jurisdiction to make laws in relation to the establishment, maintenance, and management of hospitals. As honourable senators know, for quite a number of years the federal Parliament has been making extensive grants to hospitals all over the country. If you take the view that grants to universities are outside the power of the federal Parliament, then you would also have to take the view that these grants to hospitals are outside the jurisdiction of the federal Parliament. You would have to go further than that.

Under the British North America Act local works and undertakings within a province are within the exclusive jurisdiction of the provincial Legislatures, and you would have to say on the same basis that the federal Parliament was completely incapable of voting moneys for the Trans-Canada Highway which, within each province, is a local work subject to the control of the province.

Hon. Mr. Roebuck: The Trans-Canada Highways connects one province with another.

Hon. Mr. Hugessen: The general principle that one Government may collect moneys by way of taxation and may apply them or hand them over to another Government is a principle which is enshrined in the British North America Act itself. Under this act the federal Parliament collects taxes and is obligated to pay amounts to the provinces. Perhaps it would be rather interesting to honourable senators, in view of the developments that have taken place since 1867, and the change in the value of the dollar, to know how much the federal authority had to pay in 1867 to the various provinces. These original amounts appear in section 118 of the British North America Act, as follows:

	Dollars
Ontario	Eighty thousand
Quebec	Seventy thousand
Nova Scotia	Sixty thousand
New Brunswick	Fifty thousand
	Two hundred and sixty thousand

In the British North America Act there is the principle that one government may collect taxes and pay them over for the benefit of another government. The federal Government has been making contributions to the various provincial governments in increasing measure for many years past, contributions which now amount to many hundreds of millions of dollars a year, and anyone who tells me that that means the federal Government is interfering with the affairs of the provincial Governments is saying something which I think is patently untrue.

Now, since the federal Parliament makes contributions to the provincial Governments, and if, as I think everybody will admit, there is no possible element of argument that those payments constitute control of the provincial Governments, then how can you argue that

payments made under legislation passed by Parliament for the benefit of higher education generally, resulting in payments being made to the various universities throughout the country, constitute an interference with the management or control of those institutions?

I want to deal for a moment with the suggestion that was made by the honourable senator from Grandville (Hon. Mr. Bouffard) in his very eloquent and interesting speech of yesterday afternoon, in which he suggested that the settlement of this problem of support of university education should be effected by the federal Parliament's withdrawing entirely from the support of universities throughout the country and leaving it to each province to levy for itself the moneys needed for the support of universities in that province, and then, having levied those moneys, to distribute them to universities in that province. At first sight, that seems to be a rather logical proposition. But if you look at the practical effect which such a step would have, I think you would immediately perceive the objections to it. You know, honourable senators, and I know, that we have in this country rich provinces with very broad fields of taxation available to them, and poor provinces which find it very difficult to raise revenues. If you were to follow the principle suggested by my honourable friend from Grandville, you would ultimately have a few first-class provinces with first-class universities and some second-class provinces with second-class universities. That is a result which I think would be deplorable in the extreme.

I have felt for some years past that the federal Government, with its broad taxing powers throughout the country, should and does to some extent act as what one might call a balance wheel to equalize the differences that exist between the different parts of this country, so that the poorer provinces of the country do not fall far behind the richer provinces of the country in their general development. That is a principle which has been recognized in the equalization payments to the provinces, and I think the principle is equally applicable to our universities. So with regard to the suggestion from the honourable senator from Grandville, I can only say that I totally disagree with it. I think it would be a most unfortunate reversion to a provincial, or I might even say a parochial, point of view in this country which is entirely out of line with the modern trend of development that we have here.

Honourable senators, I think that we must recognize this legislation for what it is, and also for what it is not. First of all, what it is: It really represents an attempt by the provincial Government of Quebec, with the help of the present federal Government, to escape from the lamentable, indeed, from the impossible position in which the universities of Quebec have been placed during the past seven years owing to what I might call, I hope without offence, the *intransigeance*—if I may use a French word—of the former Premier of the province, an *intransigeance* which extended not only through five years of Liberal administration of this country, but also for the following two years of Conservative administration. Now, as such, this attempt to escape by the province of Quebec is entirely welcome, particularly to those of us who are interested in and concerned with the affairs of Quebec universities. We are pleased to see it, and I personally am very glad indeed to support the present bill. My only comment on it, perhaps, might be that I think it is long overdue.

We must also recognize, honourable senators, what this bill is not. It is not a triumphant vindication of the sacred rights of the province of Quebec in the field of education. As I have already said, my view is that what I might call the St. Laurent system of grants to universities directly through the Canadian Universities Foundation was in no way an infringement upon the constitutional rights of the province. An attempt is made by the Government of the province of Quebec to tell us that this way out that has been found is a vindication of the rights of the province and of the terms of the British North America Act. But as my honourable friend from Grandville explained very clearly yesterday afternoon, the alternative system that this bill now sets up for making these grants is open to considerably graver constitutional doubts than the original system set up under the St. Laurent administration of direct grants through the Canadian Universities Foundation. I do not need to traverse that ground. All I need to say is that if you look at the bill you will find that the prescribed province, that is, in effect, the province of Quebec, in order to enter into this new system must, first of all, undertake to pay to the universities in the province each year an amount equal to $1.50 per inhabitant of the province, in addition to anything it pays to those universities, and then if it does so corporations paying federal income tax in that province are given a one per cent reduction in the amount of their federal tax, which the province can then take up and impose on its own. And not only that, but the arrangements which the province makes to pay this $1.50 per head of population to its universities have got to be consistent with the agreement entered into under the other system of direct grants which are subject to the approval of the Governor in

Council. Furthermore, any amount which the province of Quebec may collect out of this additional one per cent corporation tax in excess of the $1.50 per head which it pays to the universities in any year becomes a debt of the province to the federal Government and may be deducted from any payment that the federal Government thereafter makes to the province.

I think that short description shows that this system, this famous new system, certainly can be regarded as constituting a good deal more of an interference with the taxation powers of the province of Quebec than was the former system.

I want to draw attention to another part of section 92 of the British North America Act dealing with the right of the province to raise taxation. Under that section the province has exclusive jurisdiction in "direct taxation within the province in order to the raising of a revenue for provincial purposes". I emphasize those last words, "for provincial purposes".

Now if under this bill the province of Quebec gets from its one per cent tax on corporations in any year more money than it pays to the universities at the rate of $1.50 per head, it has got to pay the surplus amount over to the federal Government. So in effect, to the extent of that surplus, the province is not raising money for provincial purposes at all, it is raising money for federal purposes. Personally I do not pay very much attention to that. I do not think it matters very much which system you adopt if you agree with the general statement that the federal authority does have the right, without infringing on provincial jurisdiction, to make payments to universities in the provinces, but I did want to deal with the suggestion that is being made at the moment in my province, in connection with a certain electoral campaign that is going on there, that this bill represents a tremendous victory for the constitutional rights of the province of Quebec.

I have very little more to say about this bill, honourable senators. I welcome it. I think everybody having anything to do with education in the province of Quebec welcomes it, and welcomes it very warmly, because now for the first time in seven years we of the universities in the province of Quebec feel that they are in the same position as the universities in the other provinces of Canada, in that for the first time in all those years we shall be able to take our part in improving the education of our citizens, in increasing the salaries of our professors, and generally in taking our part in the progress and development of the higher education of our country.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Choquette, bill referred to Standing Committee on Banking and Commerce.

TRANS-CANADA HIGHWAY BILL

SECOND READING

Hon. Fred M. Blois moved the second reading of Bill C-57, to amend the Trans-Canada Highway Act.

He said: Honourable senators, this bill which we are considering today will be the third amendment to the Trans-Canada Highway Act since it came into operation on December 10, 1949.

As there are probably some honourable senators present who are not familiar with the Trans-Canada Highway Act and its subsequent amendments I would like to review very briefly the legislation and the agreements pertaining to the Trans-Canada Highway from 1949 up until the present time.

The Trans-Canada Highway Act, which as I say became law on December 10, 1949, was enacted to encourage and to assist in construction of a Trans-Canada Highway. As all honourable senators know, previous to that time it was impossible for anyone to drive across Canada coast to coast without on occasions having to pass through United States territory, and while this did not cause any great trouble it was felt that a country such as Canada, which has two of the greatest railway companies in the world operating from coast to coast, should have a highway which would serve the same purpose for those people who wished to drive over it.

The original act provided that the federal Government may make contributions to a provincial Government of 50 per cent of the construction cost of the highway over a seven-year period, which in effect contemplated completion by the end of December 1956. It further provided that the federal Government's share would not exceed $150 million. Subsequent to this enactment, nine of the ten provinces entered into agreements for participating in the project, as follows: British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Prince Edward Island on April 24, 1950; New Brunswick, on May 27, 1950; Newfoundland, on June 23, 1950, and Nova Scotia not until May 15, 1952.

In 1950-51 most of the participating provinces initiated a fairly heavy construction program. At the same time, however, all or nearly all provinces had to meet particularly heavy demands for construction on all portions of their own highway systems. I think this can be quite readily understood, because there was very little highway construction

work done during the war years and afterwards, and whilst the people in the provinces felt that there was a great need for the Trans-Canada Highway the fact was that when this would be constructed many good-sized towns and villages in some, but not all, of the provinces would find themselves quite a good many miles from the paved highway, so these people objected, and strenuously, to the province's money being used to construct the Trans-Canada Highway when they themselves could not have a permanent road to connect with the said highway. And if the construction of the Trans-Canada Highway was started, it was felt that to get it completed by the end of 1960 a lot of additional work had to be done, and it was quite apparent that the cost would be considerably more than what was originally estimated, and that the $150 million provided for payment to the provinces under the act would not be sufficient. In view of these facts an amendment was introduced in Parliament in 1956. This amendment, which received the royal assent on June 7 of that year, provided that the federal Government would contribute 90 per cent of the cost of construction on 10 per cent of the mileage within each province, extended the completion date to December 31, 1960 and increased the funds which Canada could contribute to the provinces from $150 million to $250 million. Naturally, the effect of this amendment was to accelerate the rate of construction of the highway.

In 1956 when that first amendment to the act was passed, increasing the maximum amount from $150 million to $250 million, final location surveys and quantity estimates along the whole of the highway had not been completed. The fact of the matter was that, while generally the provinces had a fairly good idea of where the Trans-Canada Highway should go, few of them had done engineering work or were in a position to estimate at all closely the cost of a specific piece of road. Of course this made it particularly difficult for the federal Government to arrive at a realistic estimate of the total cost of same in order to determine what the federal share would be. There was also the fact that in a number of provinces the easier work had been done during the earlier period of the act, leaving the more difficult and expensive sections, many of which were subsequently included under the 90 per cent formula. Included in this late work, with heavier payments by the federal Government, were some sections of the Fraser Canyon, the Rogers Pass route and the Ottawa Queensway. These were not started until after the act was amended. I also know that in my own province of Nova Scotia some expensive work, such as the portion in the Cape Breton district, particularly over what we call Kelly Mountain and Seal Island where a big new bridge was to be built, was not started because it was considered too expensive to be entertained on a 50-50 basis. Once the proposition on the 90-10 formula was brought forward, the province felt it could not turn down such an offer.

In 1958 it became quite apparent that $250 million would not be sufficient to cover the federal Government's share; and during the last session of Parliament a further amendment to the act was passed increasing the amount by an additional $100 million, thus bringing the total up to $350 million.

Perhaps I may be permitted to review the financial record of the work approved for the construction and the overall physical progress of the highway. During the first six years after the act was proclaimed, about $225 million-worth of work had been approved for construction, and since that time up to the present, a period of approximately four years, an additional $337 million-worth of work has been approved. I might mention here that a large part of the increased construction was for the gap sections of Rogers Pass in British Columbia, and the Northern Ontario section from north of Sault Ste. Marie to Marathon, and the Newfoundland section from Port Blandford to Traytown. All the gap sections are now under contract, with work progressing favourably on them.

The total mileage of highway in the nine participating provinces and including the sections of the highway in the National Parks is 4,491. Grading contracts have been approved on 3,317 miles, with approximately 3,068 miles completed. The mileage of paving approved for construction is 2,617, of which 2,373 have been completed. In addition to this completed pavement, there are on the designated route of the highway approximately 800 miles of pavement which were constructed prior to the date of the original act in 1949. I would like to emphasize that this latter mileage is not necessarily to the standards set out in the Trans-Canada Highway agreements for new construction and it is felt that much of it should be reconstructed. Reconstruction of these 800 miles will, of course, depend on provincial planning during the next few years.

Perhaps it would not be amiss if I were to mention that these agreements specified that the highway conform to the general specifications for Trans-Canada Highway, or else constitute a good standard of paved highway; and when the original plans were drawn up, and where good sections of road existed, it formed the basis on which the

provincial engineers, in conjunction with federal engineers, felt they were capable of carrying the present traffic, and where in their opinion sound engineering and practice dictated that it be left until its normal life was exhausted. However, where any new highway was built everything had to be up to the full standard.

In connection with the 800 miles which have been paved and are not altogether up to the standard, I may say that in many cases, owing to the fact that there is a good base course, they have a good pavement. It may not be fully up to the Trans-Canada Highway's width standard; in most cases it is not quite up to the curve allowed by the act; in some cases the grade is steeper than is allowed, and in a great many cases the five-foot shoulder required by the act is not up to standard width, many of the shoulders being only three feet wide.

I mentioned a moment or two ago that the Trans-Canada Highway runs through five National Parks. The mileage in the parks is as follows: Terra Nova 25 miles, Banff 51, Yoho 29, Glacier 27, Revelstoke 8, a total of 140 miles. I think we should make it perfectly clear that the federal Government is solely responsible for the location and construction of the highway through these parks. The mileage through Revelstoke, Glacier and Terra Nova, where the route was not determined until 1956 and 1957, was considered as part of the gap sections, and contracts have been let for these. In Terra Nova and Revelstoke it is planned to place a pavement this coming summer, and grading operations are continuing in Glacier National Park. A bituminous surface has been placed over the total mileage in Banff and Yoho, and all structures within these two parks have been completed.

I think I have said this already, but for emphasis I repeat, that the federal Government is solely responsible for the location and construction of the Trans-Canada Highway through the National Parks, and the money mentioned in the bill now before us has nothing to do with this.

Some of the highways have already been completed. For instance, the portion in the province of Saskatchewan was completed very early in 1957. With respect to the portions in the provinces of Alberta, Manitoba and Prince Edward Island, it is expected that construction will be virtually completed by the end of the coming construction season.

Possibly some honourable senators may feel that these provinces in which the work has been completed will be penalized and that they will receive no further moneys from the federal Government. I hardly think this will be the case, because in the original planning of the construction of the Trans-Canada Highway it was envisaged that those provinces that had the money should go ahead with it and would receive the money later, together with the other provinces, when the road was completed. Therefore, I think that the federal Government has met its obligations.

Some of the provinces, however, now feel it would be advisable to undertake the additional work of re-paving and re-grading on substandard sections of the highway. To make this possible and also to complete sections which are not already paved, this bill proposes to extend the provisions of the Trans-Canada Highway Act for three years. This means that the construction period will be set as of December 31, 1963, and the period in which contributions may be made to the provinces will terminate on May 31, 1964.

As can be seen from the mileage of new pavement completed since the original act, namely, 2,373 miles, or approximately 53 per cent of the total, a large amount of work yet remains to be done on the highway, most of which will have to be done during the proposed extension period. To accomplish this, additional funds will have to be provided under the act. At the present time $562.6 million-worth of work has been approved, on which the estimated amount of the federal Government's share is $335.3 million, although at the present time only $260 million has been paid to the provinces. The present legislation provides $350 million, and it is estimated that a further $50 million will be required during the extended period. Consequently, the bill before the house today proposes an increase of this amount, bringing the total under the act to $400 million.

Honourable senators, I have here six tables which I believe you would find of interest, fully covering the figures I have briefly referred to. Table 1 shows the length of the highway in each province; table 2 shows the grading construction of each province from December 10, 1949 to March 31, 1960; the third table shows the paving construction from December 10, 1949 to March 31, 1960; table 4 shows the structures which have been completed or which have been placed under contract from December 10, 1949 to March 31, 1960; table 5 is a summary of the contractual commitments from December 10, 1949 up to April 23 of this year; and table 6 is a summary of Canada's commitments for additional 40 per cent contributions and payments made from December 10, 1949 to April 23, 1960. I would ask consent of this house to having these tables printed in *Hansard*.

Some hon. Senators: Agreed.

TABLE 1

LENGTH OF HIGHWAY BY PROVINCES

Province	Miles
Newfoundland	554
Prince Edward Island	71
Nova Scotia	318
New Brunswick	390
Ontario	1,453
Manitoba	309
Saskatchewan	406
Alberta	282
British Columbia	568
National Parks	
Terra Nova	25
Banff-Yoho	80
Glacier-Revelstoke	35
TOTAL	4,491

TABLE 2

GRADING CONSTRUCTION

10 December 1949 to 31 March 1960

Province	Miles of grading contracts approved	Mileage completed
Newfoundland	375	288
Prince Edward Island	71	71
Nova Scotia	119	118
New Brunswick	190	181
Ontario	957	872
Manitoba	250	245
Saskatchewan	406	406
Alberta	281	280
British Columbia	528	477
National Parks		
Terra Nova	25	25
Banff-Yoho	80	80
Glacier-Revelstoke	35	25
TOTAL	3,317	3,058

TABLE 3

PAVING CONSTRUCTION

10 December 1949 to 31 March 1960

Province	Miles of paving contracts approved	Mileage completed
Newfoundland	108	63
Prince Edward Island	71	71
Nova Scotia	80	34
New Brunswick	142	133
Ontario	775	650
Manitoba	297	297
Saskatchewan	406	406
Alberta	281	278
British Columbia	377	361
NATIONAL PARKS		
Terra Nova	—	—
Banff-Yoho	80	80
Glacier-Revelstoke	—	—
TOTAL	2,617	2,373

NOTE: In addition to the 2,373 miles of completed pavement, there are approximately 800 miles of pavement completed prior to December, 1949, on the designated route. Reconstruction of this mileage will depend on Provincial planning and ability to finance.

TABLE 4

STRUCTURES

10 December 1949 to 31 March 1960

Province	Structures approved	Structures completed
Newfoundland	40	36
Prince Edward Island	5	4
Nova Scotia	28	24
New Brunswick	35	21
Ontario	126	98
Manitoba	38	35
Saskatchewan	15	15
Alberta	38	36
British Columbia	90	71
NATIONAL PARKS		
Terra Nova	4	4
Banff-Yoho	24	24
Glacier-Revelstoke	11	3
TOTAL	454	371

TABLE 5

SUMMARY OF CONTRACTUAL COMMITMENTS

10 December 1949 to 23 April 1960

Province	Total commitment approved	Canada's share incl. additional 40%	Canada's share paid to date
	$	$	$
Newfoundland	38,983,940.80	24,639,646.17	19,724,201.09
P. E. I.	9,101,695.78	5,881,243.00	4,979,962.09
Nova Scotia	22,301,424.21	16,009,074.10	10,395,086.92
New Brunswick	51,090,002.91	33,759,647.41	30,153,094.95
Quebec	—	—	—
Ontario	180,182,229.50	104,207,489.72	75,589,390.59
Manitoba	33,140,701.15	18,887,186.58	16,383,318.99
Saskatchewan	27,837,759.07	15,904,024.55	15,252,461.19
Alberta	37,022,807.57	22,142,805.16	20,559,000.98
British Columbia	162,921,828.86	93,914,632.62	66,939,901.30
TOTAL	562,582,389.85	335,345,749.31	259,976,418.10

TABLE 6

SUMMARY OF CANADA'S COMMITMENTS FOR ADDITIONAL 40 PER CENT CONTRIBUTIONS AND PAYMENTS MADE

10 December 1949 to 23 April 1960

Province	Additional 40% commitments	Payments made
	$	$
Newfoundland	5,147,675.77	3,705,076.37
Prince Edward Island	1,330,395.11	803,769.40
Nova Scotia	4,858,362.00	2,539,795.86
New Brunswick	8,214,645.96	7,591,657.42
Ontario	14,116,375.00	8,826,868.76
Manitoba	2,316,836.00	1,832,103.14
Saskatchewan	1,985,145.00	1,835,013.57
Alberta	3,631,401.37	2,894,120.01
British Columbia	12,453,718.20	7,746,670.58
TOTAL	54,054,554.41	37,775,075.11

Hon. Mr. Blois: Honourable senators, I do not know whether it is your wish to have this bill referred to a committee. Personally, I see very little in it to warrant that procedure, but if any honourable senator wishes it to go before the committee I will be glad to so move; if not, I would, with leave, move the third reading.

Hon. Mr. Reid: I wonder if the honourable senator will allow a question, but first may I say that I would like to see this bill go to a committee because there is much information I would like to obtain before the bill is passed. Did I understand the honourable senator to say that since the 90-10 per cent formula was put into effect, besides the help given to British Columbia in going through the mountains the federal Government also made a grant of 90 per cent toward the cost of the Queensway? If that is so, why was that grant of 90 per cent made?

Hon. Mr. Blois: Perhaps I did not make myself clear. The contribution of 90 per cent is to the province's choice of any 10 per cent of the mileage in that province. The province had the right to select the 10 per cent. By looking up the figures for British Columbia I see that it had 568 miles under the Trans-Canada Highway Act. Now, out of that total the federal Government would pay 90 per cent of the cost of construction of 56.8 miles.

Hon. Mr. Brunt: The province could select the 10 per cent of the mileage wherever it wished—in the mountains or on level ground, for instance.

Hon. Mr. Blois: Yes. I think the only stipulation was that the individual stretches should not be less than 5 miles. That is reasonable, because it is pretty hard to let a contract

and have satisfactory work done on a shorter distance. I do not know whether that answers your question, or not.

Hon. Mr. Reid: Yes, for the time being.

Hon. Mr. Wall: I wonder if I may be permitted a question. I understand that of the $400 million that is envisaged in this bill, $335 million has already been committed, and that leaves a balance of $65 million. My question pertains to the one province which is not mentioned in the explanation of this bill. Would that amount of $65 million cover the commitments to the other provinces and any demands that may be made by this last remaining province should it see fit to enter into this agreement?

Hon. Mr. Blois: I am not sure that I am the person to answer that. Certainly this bill does not cover any province except those which have already signed, and, therefore, I think the question would be quite out of order.

Hon. Sydney J. Smith (Kamloops): Honourable senators, I want to say first that the honourable senator from Colchester-Hants (Hon. Mr. Blois) has given us a very detailed and factual review of what we have heard here in the past. In spite of the fact that it has been necessary to extend the time periodically during the last eleven or twelve years, I regard this bill granting a further extension with very mixed feelings. In fact, the most encouraging thing in the bill is the hope that is expressed again that the national highway eventually is going to be completed. It has been necessary to extend the time to a total period of eleven years since the first act was passed, instead of the seven originally anticipated as necessary, and the proposed extension of another three years means, even if no further extensions are necessary, that this is a fifteen-year project.

The tragic part of the thing is that during these eleven or twelve years, the highway has cost us a lot of money in every part of Canada. Every year that construction is postponed the highway costs us more per mile, and we have a tremendous amount of money invested in this.

The honourable senator from Colchester-Hants told in detail how British Columbia and Alberta are particularly favoured in having portions of the Trans-Canada Highway, for which the federal Government contributed 100 per cent of the cost, pass within their national parks. However, I think it is only fair to call attention to the fact that during the long period this highway has been under construction it has often become necessary for provinces to supply more extensive highway facilities than were originally planned for the Trans-Canada Highway. I know that in British Columbia it has cost the provincial Government a tremendous amount of extra money to construct four lanes of highway in some places instead of the original standard of two. The route has been changed, necessitating acquisition of new rights of way, and all these items have added up to a total cost far in excess of the estimated original cost.

I believe the honourable senator from Colchester-Hants said that so far the total commitments have reached $522 million. With the additional expenditures made by the provinces there is no doubt that the total investment in this project amounts to at least three-quarters of a billion dollars, from which there is no hope of getting a 100 per cent return until the highway is completed.

Another sad thing is that we have not kept up with construction. Let me say that the poky program that has been followed is not really the fault of the federal Government. We know that under the terms of the Trans-Canada Highway Act and its amendments the responsibility for construction lies with the provinces. They have been the slowpokes.

During all this time of construction we have also been lax in our tourist promotion program, which has to be effective in order that we may gain the kind of return we expect from our heavy investment in the Trans-Canada Highway. We do a lot of talking and gloating about our superior tourist attractions while other countries with inferior attractions are out-selling us. In the international tourist trade we have been outstripped by Hawaii, the West Indies, Europe, Mexico and, in fact, every other part of the world that is interested in promoting travel. Actual figures disclose that we are still spending in the neighbourhood of $1 per tourist compared to $10 to $15 per tourist spent by other countries competing for tourist revenue. Mexico is probably the outstanding example of what has been done in recent years by some countries to turn a deficit tourist trade into a surplus one.

Canada has become miserably ineffective in her tourist promotion efforts in the United States. That country is our natural and cheapest tourist market to exploit. We are a next-door neighbour to the United States, the same as Mexico. Today Canada has two tourist information centres in the United States, one in New York and one in Chicago. During the last few years Mexico has stepped up its promotional activities in the United States and now has a chain of eighteen tourist information centres spreading across that country. The latest figures, which I believe are for 1958, show that Canada had a deficit of over $100 million in its tourist trade with the United States, whereas Mexico

enjoyed a surplus of $300 million to $400 million in its trade with that country. Mexico has to be given a great deal of credit for its tourist promotion campaign which has resulted in building up this huge surplus. As I say, Canada has been dawdling along, and in the last five years has shown a deficit of over half a billion dollars in its tourist trade with the United States.

That is not the worst of it. We are not only losing out in the international tourist market but we are also losing out in our own domestic market. Canadians are not spending a reasonable proportion of their vacation money in Canada. People in the east find good roads leading to Florida and other eastern states, and I know that a large percentage of the people of British Columbia and Alberta spend their holidays in the western states. This situation should be corrected.

Canadians are advised by tourist information centres all across this country to travel to the west coast of British Columbia via roads in the United States. We have heard so much about the unfinished Trans-Canada Highway that we have the impression there is no decent highway across Canada.

I feel that an expansion of the budget for tourist promotion would pay dividends, and I am not alone in this opinion. The Committee on Mines, Forests and Waters of the other house is awake to the situation. Last year that committee, which deals with activities of the Canadian Travel Bureau, strongly recommended to the Government that Canada should immediately open some additional tourist information centres across the United States, putting particular emphasis on the great need for one in San Francisco. That is easily understood when it is considered that California is the winter playground for a great many retired people of means who have nothing else to do but travel all the year round and spend their winters in California. They are our best prospects as tourists for British Columbia, Alberta and the other western provinces throughout the summer months. We are getting no assistance from any travel bureau west of Chicago.

I want to commend the Minister of Northern Affairs and National Resources and those in his department responsible for doing a good job in the two lone centres in New York City and Chicago. It was my privilege to be at Times Square, in New York City, last week, to witness the lighting of a unique sign advertising Canada, sponsored by the Canadian Travel Bureau. It is a portion of the operations and activities of the information centre at New York City. It is going to be seen by an estimated one million people every day for a period of 13 weeks. It is costing a lot of money, but I do not think it is costing too much, and I have no doubt that it is going to pay off by luring heat-stricken people in New York City to hurry up to that cool place, Canada, which they see displayed on that sign. However, that does not hold much promise for an improved condition in British Columbia, Alberta and the other western provinces, because we are too far removed from either New York City or Chicago. I would urge the honourable Leader of the Government (Hon. Mr. Aseltine) to bring all the pressure and influence he can to bear on the Government that it at least adhere to the wishes of the committee which made a thorough study of this matter and recommended an office in San Francisco. This office could be opened as a starter, and other offices opened later. The committee estimated that an office in San Francisco would cost about $40,000 a year. That is a lot of money, but I cannot help comparing it with the promise of a grant by the Government of $20 million for a World's Fair project. I do not quarrel with or criticize that gesture, and I regret that it was not successful, but I do not think it shows an attitude consistent with a program of tourist promotion. In the other place, last week, the Government was asked if this recommendation was going to be acted on this year, and it came as a surprise to learn that it was not the intention of the Government to do so.

There is another situation in the United States travel picture that calls for special attention in Canada this year. The number of Americans travelling to Europe, the West Indies, Mexico, and so on, is on the increase. The United States has embarked on a special program, at a cost of $50 million this year, to tell its own people that they should stay at home and enjoy themselves in the United States. We have that to contend with. It seems to me that we are too prone to honour the old-fashioned concept that advertising is an expense instead of considering it as an investment. Present-day experienced advertisers realize that well-placed advertising and publicity is an investment at all times, and that principle in our tourist business holds good if we will just give it a fair trial.

Now we have about three-quarters of a billion dollars tied up in an unfinished highway project, and I do hope that we can bring it to completion; but there should be negotiations, possibly with a view to further consideration of cost-sharing with some of the provinces which are so far behind and might need special attention in that direction. It was not too expensive for the Prairie provinces to finance their sections, with the

result that Saskatchewan completed her section first, closely followed by Manitoba and Alberta. British Columbia had the toughest and most expensive job of all. Our road construction there runs as high as $1 million a mile. There are many expensive bridges required in that province. In spite of all the difficulties, I am proud to say our province has made very satisfactory progress. It was expected that the unfinished mileage would have been finished this year. The provincial Government had committed itself to finish it this year before the expiry of the old act, and it was announced just recently that contracts had been let for all unfinished gaps. As I have said, it is not a completed project until it is complete in every detail across all the provinces. The fact is that the completion has been delayed for at least three years. I hope to goodness this will be the last time we shall have a bill of this kind suggesting a further extension, and that the completion will be accomplished within three years. In the meantime, however, the provinces which have invested a lot of money in this project are not getting their fair share of return because of the lack of a finished product. It is something like a bridge with the approaches to it uncompleted.

Honourable senators, in spite of these suggestions or observations with regard to this bill—they are not exactly criticisms—I am in favour of the bill and propose to support it. I think it should be referred to a committee, where it can be given a more detailed study. And let me repeat, I hope this will be our last tussle with a Trans-Canada Highway bill for extending the time for completion.

Hon. T. A. Crerar: Honourable senators, most of us will heartily agree with the last observation made by the honourable senator from Kamloops (Hon. Mr. Smith). We may all harbour the hope, although it may be a vain hope, that this will be the last occasion on which we shall be voting money for the Trans-Canada Highway.

I quite unashamedly say that I was never a great proponent of the Trans-Canada Highway at this particular stage of Canadian development, and especially in the circumstances under which it was inaugurated. When we undertook to build the highway many people expected that the federal expenditure would be limited to the amount first voted, $150 million. We undertook that project at a time when we had placed a heavy burden on our financial resources through the introduction of old age security, and at a time when it had become very obvious that our defence expenditures, which had dwindled very greatly, had to be sharply stepped up. We had vastly increased defence expenditures plus the increased burden on the Treasury—I am not complaining about it—for old age security and the Trans-Canada Highway. Of course, the result of this combination of expenditures has been that our taxes have steadily gone up and with apparently a sort of fatalistic acceptance by everyone that they will never go down.

This I do hope is the last vote we shall have for the Trans-Canada Highway. We started out in the easy optimism ten or eleven years ago that if we put up $150 million we would, with the assistance of the provinces, have a highway from the Atlantic to the Pacific. We have been putting up money ever since, and we are to put up more under this bill. The total amount, when this money we are voting today is utilized—and I think we may rest assured that it will all be utilized—

Hon. Mr. Brunt: Let us be optimistic. It might not.

Hon. Mr. Crerar: —the total amount will be $400 million.

I have had some experience in government. I was not very long in that experience until I mentally increased by anywhere from 15 to 25 per cent any estimate a government engineer gave me on a work. That is not a criticism of engineers, because I want the house to realize the circumstances under which engineers work. An engineer is a government servant, and you say to him, "Make a survey, give us an estimate of the cost," and when the estimate gets to the minister or the Treasury Board, they say, "Surely it won't cost that amount. Can't you cut that amount down?" And very often it is cut down. I remember my old friend the Honourable Charles Dunning, who was Minister of Finance, said after one of these episodes: "You can never depend on the estimate of a Government engineer. I have never seen one yet that was not exceeded." Now, that may be too sweeping an assertion, but the circumstances under which government engineers work are very difficult circumstances. Certainly the first estimates of what this Trans-Canada Highway would cost have been wholly belied by events.

Hon. Mr. Roebuck: Have you the figures?

Hon. Mr. Crerar: Costs have gone up. The original figures I have forgotten. The honourable senator who is sponsoring the bill (Hon. Mr. Blois) may have them. We were putting up 50 per cent and $150 million was the first vote. But the question is, what was the estimate of the total cost of the highway at that time? Has my honourable friend that figure?

Hon. Mr. Blois: No, I have not that figure but I presume it was to be on a 50-50 basis, and the estimate of the Government expenditure was $150 million.

Hon. Mr. Crerar: And now, as it happens, the cost will be well over $800 million. We are putting up $400 million, plus the whole expense of any mileage through national parks, which is quite a substantial mileage.

Hon. Mr. Macdonald: I think the province of Newfoundland was not included in the first estimate. Is that not correct?

Hon. Mr. Blois: I am unable to answer that question.

Hon. Mr. Reid: Newfoundland was not in Confederation at that time.

Hon. Mr. Crerar: My recollection is that it came in later, but that is subject to verification.

Anyway, as I said at the beginning, we can all hope that this is the last occasion upon which Parliament will be asked to vote money for this highway.

Now, more for sentimentality than for any other reason, the Trans-Canada Highway is regarded as a desirable thing, but I cannot quite agree with the optimism of the honourable senator from Kamloops (Hon. Mr. Smith) who apparently thinks that when this highway is completed it will give a tremendous impetus to tourist traffic across Canada. I have reservations upon that point. Our tourist traffic comes mainly from the United States and by the nature of things will continue to do so. One of our American friends—a banker, for instance, in New York, Dakota, or Minnesota—who has two or three weeks' holiday at the outside in a year, and who budgets $300 or $400 for his holiday and takes his car and drives into Canada, is not going to travel across this country but will go to some of our northern resorts. He may come up to fish in northern Canada, because Americans are great fishermen, or he may come to play golf.

I recall that on one occasion, when the national parks administration happened to be in the department for which at the time I was minister, I visited the national park in Manitoba. I was struck by the fact that in that park, about 100 miles from the international border, a substantial number of cabins were occupied by Americans. Bank managers, school teachers and other people who had $400 or $500 to spend on a holiday had packed their families into cars and struck northward to the park, with its evergreen surroundings and clear water, there to have the time of their lives. But people of that class will not take the long journey across Canada as a holiday. The parks in the Maritime provinces have similar attractions for Americans. If one goes today to Cape Breton Highlands Park, for instance, he will see Americans whose ancestors came originally from that area and who each year come back for a visit. I have been there on a few occasions and have seen quite a number of them. It is tourists in this class to whom we in Canada can make the best appeal.

Honourable senators, I should apologize for intervening in this debate. I am sure the honourable Leader of the Government (Hon. Mr. Aseltine) is anxious to get ahead with the business of the house.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Blois bill referred to Standing Committee on Transport and Communications.

LASALLE-CAUGHNAWAGA BRIDGE BILL

THIRD READING

Hon. Gustave Monette: Honourable senators, may I ask for leave of the house to move that Bill S-32, to authorize the construction and maintenance of a bridge across the St. Lawrence River at or near the town of LaSalle, in the province of Quebec, be now read a third time?

By way of explanation, I may say that earlier this afternoon when the honourable Leader of the Opposition (Hon. Mr. Macdonald) suggested there was no urgency in regard to this bill, I felt there was not the unanimous consent that was necessary in order to have third reading of the bill today and in the circumstances I omitted to point out that in fact the passage of this bill is a matter of great urgency. As I explained on second reading yesterday, there is serious traffic congestion in the area where the bridge is to be built and the provincial authorities are unable to do anything toward implementation of plans to construct the proposed bridge until this bill has been passed by Parliament.

Hon. Thomas Reid: Honourable senators, as one who raised his voice in objection to third reading being given to Bill S-32 today, may I now say, after having heard the explanation of the honourable senator from Mille Isles (Hon. Mr. Monette), that I am prepared to withdraw my objection. I feel that to delay this project would be to interfere with employment, and I would not wish to do that. My main reason for objecting was to maintain the traditions and rules of Parliament, and to prevent acceptance of

a practice of giving third reading to a bill on the same day it is reported out of committee.

In view of the explanation of the honourable senator, I am quite prepared to withdraw my protest and to consent to the third reading of this bill now.

The Hon. the Acting Speaker (Hon. Mr. Choquette): Honourable senators, I feel I must rule against the request of the honourable senator from Mille Isles (Hon. Mr. Monette) in view of the fact that the house has already ordered that this bill be set down for third reading at the next sitting.

Hon. W. Ross Macdonald: Mr. Speaker, with unanimous consent of the house, I would respectfully suggest that it would be possible to rescind the earlier order and to allow the honourable senator from Mille Isles (Hon. Mr. Monette) to move the third reading at this time.

It seems to me there is some question of urgency with respect to this measure, and as the honourable senator from New Westminster (Hon. Mr. Reid) has said, its delay might hold up employment. In these circumstances I am sure the house will do its best to see that the bill is not unnecessarily delayed.

Therefore, with unanimous consent, I would move that the order that Bill S-32 be placed on the Order Paper for third reading at the next sitting be rescinded, and that the honourable senator from Mille Isles (Hon. Mr. Monette) be allowed to move third reading of the bill now.

Motion agreed to.

Hon. Mr. Monette: Honourable senators, with leave of the house, I move that Bill S-32 be read the third time now.

Motion agreed to and bill read third time and passed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED—EARLE PETITION

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 393 to 417, which were presented on Tuesday, May 17.

Hon. Arthur W. Roebuck, chairman of the committee, moved that the reports be adopted.

He said: Honourable senators will recollect that when I presented these reports the day before yesterday I called attention to report No. 417 on two grounds; first, that the members of the committee were not unanimously agreed in connection with it and, secondly, that it has substance which is unusual and therefore should be considered and not passed *ipso facto.*

I feel that a short statement should be made by me as to what actually took place in connection with this particular petition and the report that the committee made regarding it. Our report is as follows:

1. With respect to the petition of Dorothy Nora Alice Hurst Earle, of Ville Lafleche, in the province of Quebec, for an Act to dissolve her marriage with William Francis Earle, the committee find that the requirements of the Rules of the Senate have been complied with in all material respects, except Rule 140 respecting payment of the parliamentary fees.

2. The committee recommend that the prayer of the petition be not granted.

3. The committee recommend that the parliamentary fees payable under Rule 140 be remitted.

That was the action taken by the committee, and since all honourable senators, I have no doubt, have not read the petition, let me give you the substance of the request made to Parliament by this petitioner. Mrs. Earle was married on November 27, 1954. There were two children born of the marriage, one on March 3, 1955 and the other on January 18, 1956. I should explain here that all we know about this matter is that which the petitioner has told us in her petition. There was no evidence taken, so that the information before us is this which is alleged by the petitioner. The respondent drank to excess. He stayed out to all hours of the night. He came home in an intoxicated condition and he insulted his wife on many occasions and created terrible scenes. The family lost its furniture for non-payment of rent. In June 1956 the respondent deserted the petitioner and his two minor children. He was arrested for non-support, and then he was charged with armed robbery and was sentenced to Kingston Penitentiary. He was released in April 1959, at which time he disappeared and has not been heard from since and nobody knows of his whereabouts. His parents do not know where he is. In July 1959, there was a judgment issued by the Superior Court of the Province of Quebec, giving the wife separation as to bed and board and custody of the children. The wife has been, and is now, supported by the Needy Mothers Allowances Commission, which is a department of the Quebec Government. She is given $70 a month, and of course she draws the family allowance of $12 per month. She lives with her married sister, to whom she makes no payment.

That is the substance of the petition before us, and the request is that she be relieved of the responsibilities, burdens and so forth of her marriage to this man. As Chairman of the Standing Committee on Divorce, I have presented this recommendation that her prayer be not granted.

I know that at times I am accused of being too sympathetic. It is not difficult to appeal

to my sense of sympathy for a woman of this kind who is married to a bum such as this, who has violated one of the pledges he made on his marriage to love, cherish and keep his wife. That is one of the very serious pledges that a man makes when he marries, and it is one of the pledges upon which a woman is entitled to rely when she accepts someone as her husband. I admit that I am sympathetic.

This petition was published, of course, in the *Canada Gazette*, and from that it came to the attention of the newspapers and there was some publicity given to it. I became aware of the details that I have placed before you now, and I admit to you that I welcomed the petition. I welcomed it because, honourable senators, we have not discussed this matter of deserted women for the last five years. It was in 1955 that the present Leader of the Government, the honourable senator from Rosetown (Hon. Mr. Aseltine), brought before this house a bill to extend the grounds for divorce in the provinces where there are divorce courts. I do not look upon this subject of divorce as political. I do not think there are any politics at all in connection with it, and I am not very much concerned about where the chips may fall. You may remember that when the honourable senator from Rosetown introduced his bill a Liberal Government was in office, and I not only voted for the measure but I supported it. Yesterday I read the speech that I made on that occasion, and I have not changed my mind in regard to the substance of the discussion that we had on that occasion. I will also read, if you will permit me, from the magnificent presentation made by the honourable senator from Rosetown on that occasion. I will select just two sentences from it:

> In a great many cases brought before the Divorce Committee desertion is the true ground for the break-up of the marriage; but since desertion is not a ground for divorce the petitioner has in some manner or other to try to produce evidence showing that adultery probably has been committed. In my opinion, in a large number of cases in which there has been a long separation, desertion could easily be proved and there would be no necessity for one party to commit adultery or to bring false evidence indicating that adultery has been committed.

The situation has not changed since the honourable senator made that statement five years ago, and I have been obliged, as is my duty and that of the other members of this committee, to sit day after day listening to applications for divorce based upon this one ground of adultery, knowing very well in many cases that adultery is not the real cause of the difficulties between the men and their wives.

If a man beats his wife and deserts her, she has every cause for complaint, but as the law now stands we will do nothing. As the action we are taking in connection with this particular bill shows, we will do nothing. So, we of the committee sit there, knowing full well that the one ground that is being pleaded before us is not the real trouble between the parties. We conduct an emasculated trial, the parties knowing that it is only by their discovering or simulating adultery that we can be induced to grant relief.

It was said five years ago that there were 50,000 deserted women in the dominion of Canada. That was one of the arguments used as to why we should not act in a case of this kind, because there were 50,000 others that might follow. The honourable senator from Rosetown (Hon. Mr. Aseltine) said then that he thought the number exaggerated, and so do I now. I do not think there are 50,000 deserted women in all of Canada. But if a substantial number of our women, Canadian citizens, are in distress, then that is a good reason why we should go to their assistance. We are here for that purpose, and the more there are the more pressing it is that we really consider the circumstances of the situation and do what is in our power to assist these unfortunate women.

I believe I am generally sympathetic and I hope you do not hold this too much against me. I am not one who is ready to sit complacently in our ivory tower here and shut the gates of mercy on mankind. So, irrespective of how much trouble it might be or how much it might disturb our comfort and complacency, I would be prepared to deal with cases of this kind on their merits, individually or collectively.

My honourable friend from Vancouver South (Hon. Mr. Farris) stated in the chamber Tuesday night that he thought this was not the proper way to handle this subject, that cases should not be dealt with piecemeal but that a resolution should be brought in or a bill, as was done by the honourable senator from Rosetown five years ago. Perhaps he is right. I am not sure that he is right and I do not see any resolution or bill before us. Since the defeat of the bill five years ago nobody has taken any action at all. I am somewhat differently placed from the rest of honourable senators. You no doubt hear about these cases, but, as Chairman of the Standing Committee on Divorce, I am the focal point to which appeals of this kind are made, over and over again. I receive letters that stir my sympathy and which, I think, would stir yours.

As I have said, the honourable senator from Vancouver South suggested that we should not deal with these matters in a

piecemeal way, but I would ask you to remember that most reform of law in British communities has come about in that way. Take the reform of the criminal law, for instance. That was not done by parliaments. The initiative was not taken in parliaments but came from judges and juries who had the victims themselves before them. Juries refused to convict when the punishments were unnecessarily severe. I have seen that work out myself in my own practice where juries have refused to convict when a brutal judge was too severe with his sentences. Those juries reformed the law, not as a matter of theory but because they had the actual parties before them, human beings, whose sufferings they could see as well as imagine. A legislative assembly, as has been proven over the years, can be brutally cruel, but courts are not nearly so likely to be without sympathy. We see that over and over again in sentences passed by our judges.

As I have said, the press made some publication of this matter because it is a subject of very wide interest all over Canada. Some members of the committee became disturbed about this and one of them saw me in my room, as was his right—they are always welcome—and he expressed his disturbance about it and voiced the opinion we should not hear the evidence. I was not in sympathy with that. I would have preferred to hear what the petitioner had to say rather than base my judgment entirely on the petition. I told the honourable member of the committee, as I thought was my duty, what his course could be—that he could follow the usual procedure in the courts. We follow the courts as closely as we can in our committee. In the courts, when someone issues a writ or statement of claim asking for a remedy that is not remedial at law, the opposition moves to dismiss the action on the ground that the pleadings show no cause of action. I told the honourable senator that if he cared to follow that procedure and move in full committee to dismiss the petition—or, as is our procedure, to recommend that the petition be not granted—on the ground that it exhibits no such cause of action as we have always recognized, he was at perfect liberty to do so, and that the committee would undoubtedly pass upon his resolution. My honourable friend in consequence did move this resolution:

That the petition of Dorothy Nora Alice Hurst Earle, now on file asking for a divorce solely on the grounds of desertion be rejected, since this committee has no present intentions of recommending a divorce on any grounds other than that which has been traditionally accepted as proper grounds for such action by the Parliament of Canada.

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There was a full meeting of the committee and the resolution was carried. In consequence I have presented the recommendation that the divorce be not granted. There is therefore no action to be discussed among us unless there may be some who disagree and say that the petition should be granted. I am not holding out in any way against it. The thought I had in mind when the petition first came to my notice was that it would bring public discussion and a consideration by our committee and perhaps by the house. I thought that was salutary and I still think so. I am not pressing for the granting of this petition. The committee of which I am chairman has decided against hearing it and I am loyal enough and a good enough democrat to abide by the decision of the committee. I am not prepared, however, to overlook my own thoughts in connection with it, or the sympathy which I possess for the poor woman who has made this appeal to us for assistance.

Hon. William H. Golding: Honourable senators, the first information I had about this petition was when I heard about it over the radio. The petition was drafted in Montreal on February 23 and presented to Parliament on, I think, March 8, and was set down for hearing by the Senate Committee on Divorce on May 20. As I say, the first intimation I had that a petition of that sort had been presented was when I heard about it over the radio. That was on May 2. Naturally, I was deeply disturbed and worried about a case of this sort being brought before our committee on the sole ground of desertion. So far as I know, in the 93 years since Confederation never before has a case been set down for hearing on a ground other than the one traditionally accepted by Parliament. Parliament's attitude on grounds for divorce has not changed.

It has been pointed out by the honourable chairman of the committee (Hon. Mr. Roebuck) that this whole matter was discussed thoroughly and a vote taken. The Senate is on record in having refused to enlarge the grounds for divorce. The House of Commons has taken the same position. The question before the house at the present time is simply the adoption of these reports, and as far as I am concerned, I would not consider that I was in order at all to deal with the merits of enlarging or not enlarging the grounds for divorce. That is not the question before the house at the present time.

Honourable senators, in committee we felt that for very good reasons we should not even hear this petition at all. In the first place, we naturally wished to be loyal to the Senate and the attitude it takes, and we had full

knowledge that the Senate did not approve of enlarging the grounds for divorce. Secondly, we also felt that there was no good reason, after all these years, why we should consider a case which in our opinion does not meet with the requirements of Parliament. Our third reason was that we had no intention and no desire of establishing a precedent by hearing the evidence in this case.

My honourable friend referred to the statement that there are some 50,000 deserted women in the dominion of Canada. I have heard the same figure quoted, but whether it is correct or not I do not know. In any case, if we set a precedent by hearing this case, other cases of the kind will follow. The courts will not grant a divorce on the grounds of desertion alone, although the province of Nova Scotia, I understand, accepts cruelty as a ground. If we heard the evidence in this particular case there would be no reason in the world why every person in the same position as this woman, whose case might be just as deserving, should not file a similar petition. It is not that we are unsympathetic toward these people, but we must be governed by law and order, and if we were placed in the position that people were flocking here—

Hon. Mr. Choquette: From all provinces.

Hon. Mr. Golding: Yes, from all provinces—the position would be impossible.

I think there is a song that runs something like this:

Look down, look down the road before you start.

Hon. Mr. Smith (Queens-Shelburne): *Lonesome Road!*

Hon. Mr. Golding: We do not need to get into these situations at all. We can take the position which we did take in this case. In my humble opinion the position we have taken in this case will have a salutary effect on those who think that they are going to use the members of this committee as guinea pigs to satisfy their curiosity, by bringing some test case which has no chance of being recommended for divorce. We have no intention at all of being open to that possibility.

In this particular case the petition was filed before we knew anything about it. Perhaps there is nothing wrong about that. On the other hand, I contend that any radical departure from the normal policy we have followed year after year should have been known to the members of the committee, and I think my contention is sound.

When we were confronted with this problem we had to consider what we should do. I am speaking not only for myself but for the overwhelming majority of the committee when I say that we were firmly convinced in our own minds that we would have nothing whatsoever to do with the case. However, the petition is in. The honourable chairman of the committee referred to a motion, which I will now read. It was moved by myself, and seconded by the Honourable Senator Barbour:

That the petition of Dorothy Nora Alice Hurst Earle, now on file, asking for a divorce solely on the grounds of desertion be rejected, since this committee has no present intentions of recommending a divorce on any grounds other than that which has been traditionally accepted as proper grounds for such action by the Parliament of Canada.

I do not want to take up the time of the house by going over all that was said with regard to this case, but I wish to say that what we did we believed to be the sound and sensible thing. The petition is before the committee now, and if honourable senators pass the motion they will endorse the stand which we took in this particular case.

I want to say a word about our chairman. We were disturbed, and another senator and I went to him and told him we were worried about the situation and he was very fair about the whole matter. He said if I felt as keenly about this petition as he was sure I did feel I had a perfect right to have the matter brought to the attention of the full committee on the following Monday. The consensus indicated that the committee was strongly against having anything to do with the petition other than to dismiss it.

Well, after some discussion the chairman suggested that we have, and it was my thought that we should have, a full meeting of the Divorce Committee so that every member would be present and have a voice in what was being done. The chairman agreed to notify all members of the holding of a special meeting, and he agreed that I had a perfect right to give at that time notice of a resolution and to bring it in to be considered at the special meeting. This was done, and as was pointed out by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) the committee carried that resolution by a vote of 12 to 3.

At that meeting the chairman told us, and I repeat what he said then, that he was a good enough democrat to abide by the decision of the committee. That he has done in moving adoption of the committee's report.

We want to continue to get along in harmony and peace with each other, and there is no reason why we should not do that and continue our work. My hope is that the Senate will endorse what we have done.

Hon. John T. Haig: Honourable senators, I have just a few words to say. I have served on the Divorce Committee of this house for a long time and I worked very hard at it up until the last few years. I was present at

the specially called committee meeting the other day when this particular petition was discussed.

I am not in favour of hearing evidence on divorce petitions based on desertion. No question about that. However, that is not the question raised by the honourable chairman of the committee (Hon. Mr. Roebuck).

Hon. Mr. Macdonald: If I remember rightly, you supported the Honourable Senator Aseltine's bill on this subject a few years ago.

Hon. Mr. Haig: I voted for it, yes, and I am not saying that I didn't.

Honourable senators, why in the world does a committee of this house have to spend hours and hours each week hearing evidence in connection with divorce petitions, evidence that should be heard in another place? Such evidence should be heard by a judge in a court designated for that purpose, a man of experience, one who can form a true opinion as to whether a witness, be it man or woman, is telling the truth, the whole truth and nothing but the truth.

I want to say that as a member of this chamber I will never vote for a measure that does not give a woman a fair deal in life. At the present time, I think, we have no provision for giving a wife a release when she is tied to a man who makes it impossible for her to live with him, and those of us who practise law know what that problem is, how serious it is for the family whose breadwinner has deserted it. Understand me, I am not suggesting that this house should grant divorces on the ground of desertion. What I am suggesting is that this house recommend to the Government and the people of this country that legislation be put on the statute book requiring that petitions of that kind be handled outside of Parliament, handled by courts of law. And it should be made clear that a man shall not be allowed to desert his wife and family and get away with it. That is the position I take, and that is the position I want my women friends in Canada to understand that I am taking. I hope all of us in this chamber, men and women, will take that stand.

I may say that I do not always agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), but when he is right I like to agree with him, for when he is right he is so right that I do not see how anybody can be against him. I admit he is not always right, in fact I think he is wrong more times than he is right, but when he does get right he gets awfully right, and on the question that is before us he is awfully right, if I may use that language.

The honourable Leader of the Government (Hon. Mr. Aseltine) made a wonderful speech, some five years ago, a speech on which he spent many hours in preparation. Every time he met any of us he always wanted to talk about his bill, to find out if he should cover certain points and to see how other points would be received, and I must say that I appreciated that attitude of his very much.

This afternoon is the first occasion on which the question of desertion as a ground for divorce has been raised in this house, in my experience, and now that it has been raised we should meet the problem that it has brought on. This house is getting the reputation all over Canada of being a divorce mill; we are notable for the divorces we grant. We hear criticisms of the Divorce Committee from the other place and I do not know whether they are right or wrong. But what I am interested in is that the press makes it appear that we are divorce merchants, and that that is our business. I may say that many many people have asked me, especially young people, "What do you do, Mr. Senator, at Ottawa, besides granting divorces?" I said, "We deal with the legislation that is referred to in the Speech from the Throne and any other legislation that is brought before the house." Their reply is that the only thing they hear about as regards the Senate is the granting of divorces. And when, if I may use the term, a spicy divorce comes before us, that really gets prominence. Now, we should stop that. We should insist that some other organization be set up to deal with divorce matters.

The petition we are discussing is a petition for a divorce on the ground of desertion. The sole ground for divorce is adultery, but I never was sure—and maybe I should go no further than that—I never was sure about these charges of adultery. I often wondered how, after being in each other's company for months, a man is suddenly found in a hotel room in company of a woman at a particular time. I used to inquire of the detectives, "Do you know that woman?" and the answer I got was that it was not my business. Personally I think she was sent there to make the case. However, the courts of my province have held that where these circumstances happen to exist adultery is presumed, and our courts are governed in that by a decision of the provincial Appeal Court.

I want this house to spend a little time on this particular demand. We have a number of able women in this chamber, women who are a credit not only to the Senate but to all of Canada, and we ought to ask them to help us see what can be done to meet the problem of desertion of a wife by her husband. As one gets older he can see the havoc that is wrought on a family through desertion of the husband and father. When parents

reach the age when their children are leaving home, getting married and making a life for themselves, they realize what a responsibility they have had in raising those children. I urge that we in this house give some consideration to serious domestic problems, so that we shall not be accused by members of the other place of failing to do our full duty.

I say that divorce petitions should be heard by the courts. I also believe that the law should be clear that a man cannot desert his wife and forget about her; if he can be brought back to justice, he should be brought back. I agree with the remarks of the honourable senator from Toronto-Trinity, but I would not grant a divorce on the ground of desertion. My point is, I agree with the idea behind the placing of this petition before us. Such circumstances as desertion may well exist in many homes in Canada, and the problem should be recognized and handled by some authority.

Hon. W. Ross Macdonald: Honourable senators, in view of what has been said I feel I should make a few remarks in this debate. It does seem that the discussion has gone far wider than the resolution should permit. So, perhaps under the circumstances I may be allowed to get away from the motion, which is for adoption of these reports.

The honourable senior senator from Winnipeg (Hon. Mr. Haig) has said in no uncertain terms that matters of divorce should be tried by the courts of our land and not by the Senate. It is all right to make that statement, but in doing so it is tantamount to saying that divorce petitions from the province of Quebec should not come to Parliament, but that that province should have a court for dealing with them.

Hon. Mr. Haig: No! The Exchequer Court could hear them.

Hon. Mr. Macdonald: It is tantamount to saying that Parliament should force the province of Quebec to have its applications for divorce heard by courts.

Honourable senators, I think I should bring to the attention of this house the fact that the province of Ontario, which now has a population of perhaps five million, came to Parliament and asked that courts in that province be given jurisdiction to hear applications for divorce upon the issuing of writs of summons. Had we refused that request of the province of Ontario, what would have happened? I doubt if we would have considered refusing it. But the province of Quebec does not want a court with divorce jurisdiction, and to suggest that Parliament should say to that province, with its approximately four million people, that it must have a divorce court, seems to me to be going entirely too far.

Well, honourable senators, as far as I am concerned, as long as I sit in this house as a senator I will oppose any effort on the part of anyone to force the province of Quebec to establish courts as the forum for hearing applications for divorce.

Hon. Mr. Aseltine: Nobody wants to do that.

Hon. Mr. Haig: And I did not suggest it.

Hon. Mr. Macdonald: That suggestion was made here today.

Hon. Mr. Haig: I absolutely deny it.

Hon. Mr. Macdonald: Then, I don't know to what the honourable senior senator from Winnipeg (Hon. Mr. Haig) was referring.

Hon. Mr. Haig: I said the Exchequer Court could hear the divorce petitions.

Hon. Mr. Macdonald: The honourable senator said that these matters should be heard by courts, plural.

Hon. Mr. Haig: By a court.

Hon. Mr. Macdonald: If the applications must be heard by courts, then the courts must be established in the province.

Hon. Mr. Haig: Not necessarily.

Hon. Mr. Macdonald: Then I don't know where the courts would be. In any event, if the applications were to be heard by courts, it would mean that Parliament would no longer hear petitions.

Hon. Mr. Haig: Correct.

Hon. Mr. Macdonald: In effect, my honourable friend is saying that we should not hear petitions from the province of Quebec for divorce. When has Parliament ever decided that it would not hear petitions?

It is the right of every citizen to come to Parliament with a petition. True, there is a minority in the province of Quebec in favour of divorce. There is no court in that province with jurisdicition to hear divorce petitions, and in my opinion there should be no such court until the province wants one. At the same time, we must not deny those people the right to come to Parliament with their petitions for divorce.

Honourable senators, as I said at the outset, this discussion has gone rather wide of the motion before the house. But in view of what has been said, and in view of the stand which I have taken over the years, I felt I should let it be known that I stand today where I stood when the bill of the

present honourable Leader of the Government (Hon. Mr. Aseltine) was before the house, that I am opposed to forcing divorce courts on the province of Quebec.

Reports adopted.

BILLS—SECOND READINGS

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

Bill SD-362, for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.

Bill SD-363, for the relief of Claire Ruth Rubins Lyons.

Bill SD-364, for the relief of Stanislaw Przybyla.

Bill SD-365, for the relief of Ian Church Wood. (Annulment)

Bill SD-366, for the relief of Marie Hariette Claudette Boisvert Beaudry.

Bill SD-367, for the relief of Arthur Edward Parker.

Bill SD-368, for the relief of Owen John Lummis.

Bill SD-369, for the relief of Ronald Norman Hogg.

Bill SD-370, for the relief of Roy Walter Williams.

Bill SD-371, for the relief of Barbara Doris Jennings Fitzgerald.

Bill SD-372, for the relief of Christine Nancy Littleton Cohen.

Bill SD-373, for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.

Bill SD-374, for the relief of Kazimierz Romanowski.

Motion agreed to and bills read second time.

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

Hon. Mr. Roebuck moved that the bills be placed on the Order Paper for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 418 to 422, which were presented yesterday.

On motion of Hon. Mr. Roebuck, reports adopted.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. W. M. Aseltine: Honourable senators, I move, with leave, that when the Senate adjourns today it stand adjourned until Tuesday next, May 24, 1960, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, May 24, at 8 p.m.

THE SENATE

Tuesday, May 24, 1960

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

Prayers.

APPROPRIATION BILL NO. 4

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-62, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Bill read first time.

SECOND READING

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

Hon. Mr. Aseltine: With leave of the Senate, I move the second reading now.

Hon. Mr. Macdonald: May I ask the Leader of the Government (Hon. Mr. Aseltine) if the bill has been distributed?

Hon. Mr. Aseltine: Yes. A copy was put in every honourable senator's post office box and there is a copy also on every honourable senator's file.

Hon. Mr. Macdonald: I think it has been the custom to proceed with second reading of a bill like this on the day the bill is received in this house, and I have no objection.

Hon. Mr. Aseltine: It is getting close to the end of the month and I think it is hoped we shall have royal assent some time this week, possibly tomorrow. For that reason I should like to go ahead with second reading this evening.

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Aseltine: Honourable senators will remember that when I introduced the first interim supply bill for the current year 1960-61 I stated that the total amount of the main estimates required to be voted for the fiscal year 1960-61 was $3,561,353,870. We dealt with that bill and voted one-sixth generally of the main estimates plus an additional proportion of 11 special estimates which were required for the months of April and May. The total amount voted by that Supply Bill was $603,488,902.52.

This bill, which is the second interim supply bill for the fiscal year, proposes to vote one-sixth of all of the items to be voted in those estimates, which would amount to $593,558,-978.34. That is exactly the same amount we voted on March 30 last.

Hon. Mr. Reid: May I ask the honourable leader (Hon. Mr. Aseltine) a question? He mentioned at the outset a figure of $603 million, but in the bill I see the figure of $600,946 odd.

Hon. Mr. Aseltine: We voted the amount I have just mentioned, plus additional proportions of eleven special items which were required for the early months of the year, April and May, because the work had to be done at that time. That made the total $603 million-odd.

In addition to the one-sixth of the items to be voted, there is required an additional seven-twelfths of Votes 64 and 95. Those two votes are shown in schedule A to the bill, and the seven-twelfths proportion amounts to $350,000.

There is required an additional one-third of two other votes, namely 137 and 267, the particulars of which are shown in schedule B to the bill, and the amount being $565,070.

There is required an additional one-twelfth of Votes 193, 194, 195, 197, 199, 203, 207, 208, 213 and 303. Particulars of these votes are given in schedule C to the bill. The one-twelfth amounts to $1,472,592.58.

There is also required one-third of the total of the item set forth in the Supplementary Estimates for 1960-61, $5 million. This makes the total amount voted by this bill $600,946,640.92.

None of these votes of which an additional amount is required have had more than one-sixth voted previously, and the reason why these additional portions of these votes are required is that the work covered by the votes has to be done principally during the months of June and July.

I should like to inform honourable senators that the proportions requested in this bill are intended to provide for all necessary requirements of the public service up to the end of July. In no instance is the total amount of an item being released by this bill.

Honourable senators will also notice that the form of this bill is the same as that of interim supply bills passed last year and of the one passed at the end of March, to which I have already referred. The form of these bills met with the approval of the honourable Leader of the Opposition (Hon. Mr. Macdonald) and other honourable senators because it gave more particulars than used to be given and in a way that made them more easily understood.

I give the usual assurance, also, that the passing of this bill will not prejudice the

rights and privileges of honourable senators to criticize any item in the estimates when it comes up for consideration later, and the usual undertaking is hereby given that such rights and privileges will be respected and will not be curtailed or restricted in any way as a result of the passing of this measure.

That, honourable senators, is a brief explanation of the bill which is now before us for second reading.

Hon. Mr. Reid: Honourable senators, I am rather interested in Vote 213, Polar Continental Shelf Project, on page 5 of the bill. I wonder if the honourable leader can give me an explanation of that.

Hon. Mr. Aseltine: All the first nine items in Schedule C, votes 193 to 213 inclusive, have to do with the Surveys and Mapping Branch of the Department of Mines and Technical Surveys, the Geological Survey of Canada, the Geographical Branch of the Department and the Dominion Observatories. Vote 213 concerns an aerial survey, or something of that sort, which is going on in connection with the Polar Continental Shelf Project. I assure my honourable friend it has nothing to do with spying on any of our neighbours. It will be conducted entirely over the Canadian north.

Hon. T. A. Crerar: Honourable senators, this is the customary sort of bill we expect at this period of the session. The first observation I wish to make has to do with procedure. It is difficult for the honourable Leader of the Government (Hon. Mr. Aseltine) to give the full explanation I think honourable members of this house are reasonably entitled to receive concerning a bill of this type, for it is beyond the capacity of any individual to familiarize himself with the purpose and nature of the votes contained in it. I would therefore suggest to the honourable Leader of the Government and to the house generally that it might be desirable to consider adopting a new procedure in dealing with appropriation bills. Instead of discussing them on second reading with His Honour the Speaker in the Chair, I would suggest that the house be moved into Committee of the Whole. That would enable the honourable Leader of the Government to have someone present in the house to advise him on matters connected with each of these items.

Hon. Mr. Aseltine: I have the information with respect to every one of the votes for which additional appropriation is required, if honourable senators wish to have every one dealt with.

Hon. Mr. Crerar: I do not see what effect that has on the suggestion I have just made.

I was about to remark also that I had noted the point raised by my honourable colleague from New Westminster (Hon. Mr. Reid) about Vote 213, in Schedule C to the bill, dealing with the Polar Continental Shelf Project, for which we are asked to vote $1,134,400. The honourable leader stated he suspected or thought this item might have something to do with an aerial reconnaissance in the Polar regions, but that is only speculation on his part. If, for instance, someone from the Treasury Board were present in the house he could supply the answers to such questions to the honourable leader, who in turn could pass on the information to us.

This is the customary interim supply bill wherein we vote one-sixth of all the estimates. This supply will carry us through until the end of July. A previous one-sixth was voted prior to the Easter recess, and that is to carry us through until the end of this month. One might gather from this that we shall be sitting here in July, and probably at the end of July may have to vote another sixth to carry us through until the end of September.

Hon. Mr. Aseltine: I hope not.

Hon. Mr. Crerar: In that connection, I think it would be a very useful and desirable consideration to this house if the honourable Leader of the Government could find out from the powers that be whether we are likely to have to vote another interim supply measure; in other words, if he could give us some idea of the course of events over the next few years so far as the work of Parliament is concerned.

Hon. Mr. Euler: Years?

Hon. Mr. Macdonald: Months.

Hon. Mr. Brunt: We will forgive you.

Hon. Mr. Crerar: Honourable senators will realize at once how fortunate I am in having beside me a mentor so efficient as the honourable senator from Waterloo (Hon. Mr. Euler).

I wish to make only a few observations on these estimates. It should be noted, however, that honourable senators have the same right, and I would say the same obligation, to consider these items of expenditures in the same manner that the members of the other house do, before we approve this measure. It is true that we cannot initiate spending ourselves, although I think it is quite within our province to reduce spending if we wish to do so.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Crerar: At any rate, I submit to the house that we should have information available to us so that we can intelligently consider these expenditures.

There are several criticisms of spending that I could offer. The first criticism would be that the Government, instead of adding to the main estimates as compared to a year ago, would have been doing its duty to the country more effectively if it had cut off, say, $100 million from the total. Spending is increasing every year, and it makes one wonder what would be the position of this country if, unfortunately, we should run into a period of recession. These are matters that should engage the attention of this house, and certainly should engage the attention of the Government.

There are a few items here to which I should like to draw attention. In the main there is, as I have said, a lack of knowledge about the items. For instance, I notice that the expenditures in the Northern Affairs and National Resources department have been surging up. That is one department where I think we could have afforded to exercise some economies, as, for instance, the item that the honourable senator from New Westminster referred to, involving an expenditure of almost $1¼ million. Is that vital or necessary? Is that not the kind of expenditure that we could postpone for five years without any injury to the public interest? And can certain other items be considered vital, such as these surveys extensively conducted in the Arctic regions? The search for oil! Why search for oil in our northern Arctic at a time when we cannot sell the oil we already have available?

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Crerar: I think that in a time of stress, when our social expenditures are mounting, our defence expenditures are very heavy, and other expenditures are up, it is important to economize in all the things that are not necessary at the moment. In that connection I wish to draw attention to item 267, appearing on page 4 of the bill, in schedule B. Here we are voting an amount of $800,000 to assist the provinces in providing camp grounds and picnic area developments. Now, is it reasonable or within the boundaries of common sense, at a time when our taxation is higher than it has ever been before, when the future may have some uncertainties for us, that we should be spending this amount on camp grounds and picnic area developments?

Hon. Mr. Brunt: That is social welfare.

Hon. Mr. Crerar: It seems to me that Parliament is certainly getting the father and mother complex to quite an extraordinary degree, and we seem to be taking upon ourselves the obligation of caring for everyone and everything. We care for farmers who are growing wheat, and we care for people in a multitude of ways—social welfare, medicine, hospitalization, and everything else. I am not particularly criticizing these things, but I would point out that here we are also asked to care for the pleasures of our population. Well, there was a time not so very long ago when our citizens found their own camping grounds and their own picnic grounds, and they did not need to spend what we are voting here, namely, $800,000 to do it. The question I pose to the house is this: How in the world are we ever going to find it possible to reduce taxes if we go on spending in this free and easy manner? That is, on broad lines, the criticism I have to offer of the whole program of Government spending. Most of these expenditures are necessary, and the reason additional amounts are voted on some items is that the work has to be done in the summer months, like geological surveys and matters of that kind, and it is entirely reasonable and, in fact, quite in accord with past practice to vote these additional sums at this particular period in the session. However, I cannot for the life of me see the necessity for spending on many of the other items.

I dislike talking in a way that might lead some of my friends opposite to accuse me of being a prophet of doom and gloom.

Hon. Mr. Brunt: Oh, we have never called you that.

Hon. Mr. Crerar: I am not; but I do try to exercise ordinary common sense in a consideration of these matters, and I lay it down as a fundamental principle that the Parliament of Canada today, and the Government of this country, should not be spending one dollar where spending could be postponed. Let us first try to get taxation reduced, because taxation in this country today is punitive. We have reached the point where the amount of money that is being taken out of the taxpayers' pockets at all levels of government is positively dangerous to our future economy. We should never forget that the federal spending is only part of a vast complex of spending in this country. We spend here and we do not think of the hundreds of millions Ontario spends, and Quebec, and the vast sums that are spent by the smaller provinces and the obligations taken on by the municipalities. That is all a burden on our economy and we may well reach the point where our welfare is going to be endangered by all this business.

Therefore I hope that the honourable Leader of the Government in this house will use the influence he has, and we all know it is considerable, with the Leader of the other house—

Hon. Mr. Aseltine: Thank you.

Hon. Mr. Crerar: —to impress upon his Government the need of economizing in every direction where they can economize without injury to the country. It would not injure the country if we postponed spending money on, for example, camp sites and picnic grounds. That postponement would not hurt any interest in this country. All it might do would be to create the possibility that our taxes may not be increased even though they cannot be reduced. And I am quite sure that the honourable Leader of the Government in this house (Hon. Mr. Aseltine) would have the enthusiastic support of the honourable senator from Hanover (Hon. Mr. Brunt) if he attempted to use some influence on the higher authorities to achieve this very desirable end.

Hon. Mr. Brunt: Why bring me in?

Motion agreed to and bill read second time.

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

Hon. Mr. Macdonald: Next sitting.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILLS

WAWANESA MUTUAL LIFE INSURANCE COMPANY—FIRST READING

Hon. Olive L. Irvine presented Bill S-33, to incorporate The Wawanesa Mutual Life Insurance Company.

Bill read first time.

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

Hon. Mrs. Irvine moved that the bill be placed on the Orders of the Day for second reading on Thursday next, May 26.

Motion agreed to.

WAWANESA MUTUAL INSURANCE COMPANY—FIRST READING

Hon. Mrs. Irvine presented Bill S-34, to incorporate The Wawanesa Mutual Insurance Company.

Bill read first time.

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

Hon. Mrs. Irvine moved that the bill be placed on the Orders of the Day for second reading on Thursday next, May 26.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 423 to 433 and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-375, for the relief of Norma Katherine MacDonald McLean.

Bill SD-376, for the relief of Diane Hawkins Edler.

Bill SD-377, for the relief of Marcel Pouliot.

Bill SD-378, for the relief of Gisele Raymond Vallee.

Bill SD-379, for the relief of Madeleine Arbour Gauvreau.

Bill SD-380, for the relief of Pierre Frederic Bruneau.

Bill SD-381, for the relief of Nancy Virginia Webster Canning.

Bill SD-382, for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.

Bill SD-383, for the relief of Jean Paul Alfred Lebel.

Bill SD-384, for the relief of Bernice Ellis Biltis.

Bill SD-385, for the relief of Evagelia Karidi Tsitsos.

Bill SD-386, for the relief of Barbara Raphael Salomon.

Bill SD-387, for the relief of Richard Denis Giblin.

Bill SD-388, for the relief of Fanny Hussey Baggs.

Bill SD-389, for the relief of Lambly Dorothy Audrey Hage Lambert.

Bill SD-390, for the relief of Paul Emile Raymond.

Bill SD-391, for the relief of Doris Mary Luxford Devenish.

Bill SD-392, for the relief of Beulah Benford Brown Lawrence.

Bill SD-393, for the relief of Kathleen Walsh Cohan.

Bill SD-394, for the relief of Francis Whiting Clark.

Bill SD-395, for the relief of Gustave Roy.

Bill SD-396, for the relief of Joan Shirley Davies Herscovitch.

Bill SD-397, for the relief of Eugena Grandmont Ladouceur.

Bill SD-398, for the relief of Ivy Helen Gentles Bell Pull.

Bill SD-399, for the relief of Herve Vaillancourt.

Bill SD-400, for the relief of Madeleine Hermine Kelen Endrenyi.

Bill SD-401, for the relief of Marie Jeannine Andree Boisclair Lafrance.

Bills read first time.

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

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

Motion agreed to.

COMMONWEALTH TRADE

TWENTIETH CONGRESS OF FEDERATION OF COMMONWEALTH AND BRITISH EMPIRE CHAMBERS OF COMMERCE AT CANBERRA

Hon. Calvert C. Pratt rose pursuant to notice that he would "draw the attention of the Senate to the Twentieth Congress of the Federation of Commonwealth and British Empire Chambers of Commerce, held recently in Canberra, Australia," and would "bring forward for consideration information and suggestions arising from the Congress discussions relative to the promotion of trade within the Commonwealth".

He said: Honourable senators, I feel it will be of interest to bring to your attention the proceedings of the Twentieth Congress of the Federation of Commonwealth and British Empire Chambers of Commerce which was held recently at Canberra, Australia. It was my privilege to attend as one of the delegates from Canada to what the Australian press termed "The Commerce Parliament of the Commonwealth".

Organizations that function internationally in relation to industry, labour, education, science and all other fields of social progress have a rapidly growing responsibility of world-wide importance. It is well to avail ourselves of the opportunities of keeping up to date on the thinking and planning of such organizations which exist for cultivating international relationships. In the field of government, one of very great significance to us is the Commonwealth Parliamentary Association. At this session we have had the opportunity of hearing in the Senate from our colleagues the honourable senator from Queens-Shelburne (Hon. Mr. Smith) and the honourable senator from Hastings-Frontenac (Hon. Mr. White) about the recent meetings of that association, held also in Australia. I feel that it is quite appropriate and timely that the two such bodies should have had their deliberations in the same area, when on both occasions issues of world-wide significance in human affairs came under review.

Government and business relationships have a close interlocking in these days. Governments, of course, must necessarily have regard to the policy of broadening the avenues of trade in local communities and countries, as well as internationally. One of the leading figures of the federation put it this way, however, and I consider rightly so: "No political policy or program can of itself provide a nation's bread, but that can only come from the proceeds of healthy and prosperous industry." While industry has its responsibility for building its structure by enterprise and research within its immediate environments, it also has a very definite responsibility to create the atmosphere for spreading throughout the world the benefits of its enterprise. I can say that the Federation of the Commonwealth and British Empire Chambers of Commerce is out to do just that.

The federation came into being in 1886. Meetings have been held in different parts of the commonwealth every three years, except for breaks caused by the two World Wars. There are 32 different countries and areas of the commonwealth and British Empire represented on the Council of the Federation. Three times have these Congress meetings been held in Canada—in 1903, 1920 and 1954. The proceedings at Canberra were under the very able presidency of Lord Balfour of Inchrye, who, as you know, was a minister of the British Government during the period of the last war. In association with Lord Balfour in the leadership was Mr. Charles D. Gill, the Chairman of the Council of the Federation.

The Conference Hall was decorated with the flags of many of the countries represented. Among those I shall mention, for the purpose of illustrating the geographical diversity, Australia, the United Kingdom, Canada, New Zealand, South Africa, Rhodesia and Nyasaland, Malta, India, Pakistan, Ceylon, Malaya, Hong Kong, the West Indies and New Guinea. In the row of flags displayed in the Conference Hall it was an inspiration to see the Union Jack as part of most of them. I hope Canada will never adopt a national flag without the Union Jack being a predominant feature of it. Apart from what it has meant in the history of Canada, we must continue to value it for what it has meant in world history and still means in world affairs. Without Great Britain, which I hope will continue for centuries to wave the Union Jack, there would be no commonwealth. I think it would

be a betrayal of the commonwealth to drop the symbol of the Union Jack from our flag, as is sometimes advocated.

In Canada business has progressively and broadly become organized within the Canadian Chamber of Commerce, the Canadian Council of the International Chamber of Commerce, the Canadian Exporters' Association and many others. These organizations take an active part in promoting international trade and in lessening the difficulties in foreign trading. Some of these difficulties are natural to the various enterprises, but others are often imposed by legislation arising out of too close a local view without regard to the broader and more vital world-wide implications.

Canada's participation in the deliberations, which I shall very briefly review, came under the auspices of the Canadian Chamber of Commerce, which body has a background of 800 Chambers of Commerce and Boards of Trade throughout Canada. The delegation from Canada was made up of 36 representatives of industry and finance. It was very efficiently led by the Chairman, Mr. H. G. Love, President of the Canadian Chamber of Commerce, and the Deputy Chairman, Mr. Henry G. Birks, the Canadian Vice-President of the Federation of Commonwealth Chambers of Commerce.

One may ask, why should there be a union of Chambers of Commerce particularly within the commonwealth, and what is the special significance of that union? I shall answer that briefly in words spoken by Lord Balfour at the opening session:

"As the political ties become less defined within the many commonwealth areas, the commercial ties become that much more important. The new commonwealth which is developing will still hold what the old one has forged so firmly. It will remain the greatest single world force for freedom against restriction, for peace against aggression, for the things not always definable but which we know are basically right against the things we know are basically evil. We have the chance in this Congress of advancing the true interests of the new commonwealth, by our authoritative study of important economic issues and by our considered recommendations to commonwealth Governments on issues all must face and none can ignore."

While the basic principles involved in the consideration of a program for lessening the difficulties of international trade ran somewhat to a uniform pattern, the divergence of interests among the countries represented was most revealing as well as perplexing.

The fact in itself throws out a healthy challenge which must be accepted as such. No one with a reasonable outlook could, however, come away from such a gathering representing countries, each with its own problems, with any lessening of determination to build up what is of value to his own particular country. Any other attitude would be visionary and unpractical. What one could take away was a view of the value to each country of the cumulative effect of greater progress within the whole group of countries.

At this point I think it will be of interest for me to mention something of the relation of Canada's trade to that of the commonwealth. Last year about 17.7 per cent of the total of Canadian imports and exports was done within the commonwealth. The proportion done with United States was 65 per cent and with other countries of the world 17.3 per cent. In relation to the total foreign trade of Canada the commonwealth volume has had a declining percentage. In the years 1935-39 the average amount done by Canada within the commonwealth was about 41 per cent; in 1949 it was about 26.2, and in 1959, 17.7 per cent. The dropping off in percentage, however, is not the full significance, because while the total trade done with the United Kingdom and other commonwealth countries in the years 1935 to 1939 averaged about $642 million, in 1949 it was $1,608 million, and in 1959 it ran up to $1,910 million.

I do not wish to burden honourable senators with too many figures, but I have here a table showing the value of the exports from Canada in 1949, as compared with 1959, to the various parts of the commonwealth, and other countries and the imports into Canada. With permission of the house I will have this table printed in *Hansard* so that it may be the more easily followed.

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Macdonald: Agreed

Hon Mr. Pratt: Thank you.

	1949 (millions of dollars)	1959 (millions of dollars)	
Total exports	$2,993	$5,179	
Exports to United Kingdom	704	797	(Increase of about $93 million)
Exports to other commonwealth countries	310	277	(Decrease of about $33 million)
Exports to United States	1,519	3,207	
Exports to all other countries	460	898	
Total imports	2,761	5,654	
From United Kingdom	307	596	
From other commonwealth countries	187	239	
From United States	1,954	3,832	
From all other countries	313	986	

In gathering my facts for this review of the congress proceedings, I found it very difficult to differentiate between what is of particular Canadian interest and what is of general interest to all countries. That is very different from what the situation was only a few years ago. The winds of change are blowing over the whole world. Without due care and considered policy these winds can blow some countries back, and others can be, and will be, blown ahead. The application of that general statement may be of greater importance and concern to what we consider the developed countries than those we term the underdeveloped countries of today.

I shall mention some of the issues which were considered at the congress. First, I shall refer to the problems which are rising from areas where closer economic co-operation is developing in Europe and elsewhere. The congress supported the principle of regional groupings which can help in the expansion of world trade, but said that any tendency towards discriminatory practices in relation to other countries should be excluded. It was felt that the first stages toward a common tariff by the European Economic Community of six countries should not be at the accelerated pace which is now in evidence. The seven countries of Europe working toward a European Free Trade Area, or E.F.T.A., as it is known, may be shaping up to trade wars on the outside which could result in a reduction of the volume of international trade. The opinion was placed on record that if the proposals of E.E.C. now under consideration, and which are not consistent with the GATT, were implemented they might lead to unreasonably high protection for European agricultural and other primary products. That would result in serious discrimination against primary producing countries outside the common market and retard the policy of spreading more general prosperity throughout the world.

It will be urged by many representatives at the congress to their respective Governments that all avenues be explored for drawing the Inner Six into closer and more cordial relations with the Outer Seven. In short, a logical and promising movement can be of disadvantage to the extension of world trade if a too narrow and local policy view is taken by the countries concerned. Arising from that movement, however, which may become a pattern of international trading relations, the thought is indelibly impressed on all that mutual trading relationships, which are made up of give-and-take policies between groups of countries, are showing up very strongly. No country, no matter how strong economically, can afford to stand aside from this world trend.

A subject which was emphasized very strongly in discussions at the congress was that business leadership in advancing education generally was essential, and was entirely feasible through concentrated attention by chambers of commerce and such organizations, particularly in areas where the need is greatest.

It was thought that more facilities for the use of the English language within the commonwealth should be inaugurated and supported by governments. Commercial education should be made more easily available to those in areas where the need is greatest, and chambers of commerce were urged to take a part in such a program.

The congress expressed approval of a more general policy for the exchange of young people between commonwealth and empire countries. It was recommended that the federation should encourage the interchange of young business people between companies in the membership of chambers and the association. It was also felt that the Commonwealth Scholarship Scheme and its further extension should be far more widely encouraged than it is.

Adoption of a decimal system of currency throughout the commonwealth came in for consideration. It was definitely felt that a gradual change to the decimal system was entirely practical and should be promoted.

In no association of persons anywhere could one gather stronger impressions of differences between the standards of living and the need

for the creation of a better balance of economy than in such a world-wide assembly. The need for increased capital investment in the underdeveloped areas was stressed not only for the mutual advantage of expanding world trade but because the alternative would be a greater movement toward communism. It is, however, of first importance that there be a readiness of people to meet the responsibilities that go with establishment of industry and investment of outside capital. Anyone who thinks that the great disparity in standards of living can be substantially relieved by just throwing in funds for investment, simply does not know the facts of life. To facilitate a greater and more consistent flow of investment capital within the commonwealth, and particularly to the underdeveloped areas, the fear of nationalization has to be lessened by intergovernmental understandings.

The congress has decided to recommend the establishment of a commonwealth investment guarantee scheme which will provide adequate insurance cover against risks associated with any political instability. Somewhat similar to this in concept is the existing United States and German investment guarantee program. It seems obvious that if the idea of development of commonwealth relationship in trade and industry has to grow along practical lines, with use of industrial capital, that the commonwealth governments must have an underwriting commitment based on intergovernmental agreements. It was thought, too, that some reasonable insurance to business investment along these lines would result in a broader program of a commonwealth development fund to facilitate loans and aid policies.

In listening to the expression of views of men engaged in the top level of industry, who know by experience the difficulties involved in widespread foreign investment, one could not but be impressed with the great need for a more definite and more declared policy of governments than now exists in many areas. Unquestionably, intergovernmental understandings to carry out decided policies and obligations are required on a wider basis than is now in evidence. It was gratifying to learn that, in one of the issues of that character, Canada is well in the forefront. I refer to the elimination of double taxation which in many countries is still a great deterrent to international investment.

Representatives of some countries came out strongly for the revaluation of gold. No decision was made to recommend that policy at this time, as it was felt a primary consideration had to be the effect on the internal economies of the individual countries concerned.

The need for freer convertibility of currency than now exists in many countries was strongly emphasized.

In the broader issue of low standards of living and insufficient nutrition in the underdeveloped areas of the world, it was considered that a useful approach to the problem would be the establishment of a food bank under the auspices of the United Nations. The congress passed a recommendation that a commonwealth committee of experts be set up to formulate ways and means of dealing with surplus food accumulation in producing countries, and to get the foundation of such a policy firmly established within the commonwealth. It was recommended that the inauguration of such a movement be given consideration at the conference of Prime Ministers which was then shortly to take place and, of course, has since been held.

There was a general awareness revealed of the need for countries to keep their tariff protection policy under constant review.

It was recommended that chambers of commerce in all commonwealth countries urge their Governments to undertake periodic reviews of the levels of tariff protection and their consequences. Artificial barriers, such as unduly high tariffs, impede the free movement of trade. They act as a shelter for high costs and are highly dangerous in these changing times. I feel there is no more important lesson than that for Canada to learn. We should learn it and act on it before it is too late. If we close our eyes to the constantly increasing production costs of industry within this country we shall at some time be wakened out of our slumbers by a terrific jolt from world-wide competition. With industrialization springing up so fast on a world-wide scale and in the most unexpected places, it would be just suicide to isolate ourselves from the progress of others. When I say that, I am not unmindful of the stimulating figures I gave just now of Canada's trade progress in the recent past. I certainly am not pessimistic about Canada's future, but none of us must allow our optimism to overshadow the realities involved in meeting economic changes that are taking place around us. The pace of economic changes has greatly accelerated in recent times and is likely to become even more rapid in the years just ahead.

The people of the Western world who are in the great industrial areas, have no inherent qualities of invention and enterprise which do not belong to those of many other parts of the world. Evidence of that has already been revealed in Japan and other sections of the East. With the great upsurge the world over for educational and social advancement, which can only come with more widespread

employment through industry, the industrialized countries have to meet the new situation co-operatively, and not through aloofness. If we in Canada, and, I might add, our neighbours in the United States also, try to throw shields of protection around ourselves rather than open our arms to join in these world-wide economic changes, we shall go down by ourselves as others go up together in this changing world. Do not let us forget either that Canada's greater dependence on foreign trade makes us far more vulnerable in these matters than is the United States. Canada could slip faster and further than the United States could.

Before finishing this talk on the congress I would like to refer to our host country. We were wonderfully well received socially and helped officially in Australia, as well as in New Zealand, where we visited for a few days. At every turn we found the Canadian Government representatives most useful and they gave us every evidence that they are doing a very efficient job in the interests of Canada.

Australia is the third largest commonwealth market for Canada and the seventh largest market in the world for Canadian goods. In 1959 Canada's exports to Australia amounted to $54 million, which was an increase of $2 million over 1958. Canada's imports from Australia in that year amounted to about $33 million. It was interesting that just prior to the congress meetings Canada and Australia had entered into a trade agreement which provides for mutual concessions. The previous agreement was made in 1931, which, of course, was outdated. The new agreement provides for greater facilities for importing and exporting, which I trust will result in increasing the volume of trade with that country. At this time there is a delegation of 36 leading Australian businessmen in Toronto for the purpose of promoting trade between their country and ours. I hope as they extend their visit throughout the dominion they will receive the same warm hospitality and co-operation as we received in their country.

PRIVATE BILL

NORTHERN PIPE LINE COMPANY—THIRD READING

Hon. John G. Higgins for Hon. John Hnatyshyn, moved the third reading of Bill S-31, to incorporate Northern Pipe Line Company.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-362, for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.

Bill SD-363, for the relief of Claire Ruth Rubins Lyons.

Bill SD-364, for the relief of Stanislaw Przybyla.

Bill SD-365, for the relief of Ian Church Wood. (Annulment)

Bill SD-366, for the relief of Marie Hariette Claudette Boisvert Beaudry.

Bill SD-367, for the relief of Arthur Edward Parker.

Bill SD-368, for the relief of Owen John Lummis.

Bill SD-369, for the relief of Ronald Norman Hogg.

Bill SD-370, for the relief of Roy Walter Williams.

Bill SD-371, for the relief of Barbara Doris Jennings Fitzgerald.

Bill SD-372, for the relief of Christine Nancy Littleton Cohen.

Bill SD-373, for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.

Bill SD-374, for the relief of Kazimierz Romanowski.

Motion agreed to and bills read third time and passed, on division.

EXPORT AND IMPORT PERMITS BILL

SECOND READING

Hon. Léon Méthot moved the second reading of Bill C-4, to amend the Export and Import Permits Act.

He said: Honourable senators, the purpose of this bill is to extend the effective date of the Export and Import Permits Act beyond July 31, 1960 to July 31, 1963, and at the same time amend references in the act which have been superseded by other legislation since the act was last before Parliament.

The present act was passed originally in 1954 and was extended in 1957 to the present expiry date. Control over exports of arms and ammunition and other strategic materials has been in force continuously since the war.

The necessity for continuing this legislation is a matter of regret. However, in the present world situation the Government must retain powers of control over exports from Canada of arms, ammunition, implements of war,

atomic energy materials and other strategic materials. Retention of these powers of control is essential for the protection of Canada's security interests and those of our allies and other friendly governments.

The Export and Import Permits Act provides authority to the Governor in Council to control exports of strategic materials and military equipment by establishing an export control list. Export of any item on this list requires an export permit. These controls cover shipments to all destinations, including the United States of America, when specified in the export control list. When not so specified, permits are required for all destinations other than the United States of America with whom mutual arrangements exist to respect each other's export control policies and to prevent evasion of export controls by unauthorized shipments.

Under the act, authority also exists to control the export of any commodity where this is deemed necessary to implement an intergovernmental arrangement or commitment or to ensure the adequate supply and distribution of commodities within Canada for defence or other needs.

The act also provides authorities to establish an area control list. Exports to any country named in this list may only be made under permit. This area control list includes all countries of the Sino-Soviet bloc.

Section 26 of the act provides that a report of the operations under this legislation must be prepared and tabled as soon as possible after December 31. The report for the calendar year 1959 has been tabled and is available to honourable senators.

The act also provides for control of imports for certain specified purposes. Commodities so affected are those which involve the Agricultural Stabilization Act, the Fisheries Prices Support Act, the Agricultural Products Co-operative Marketing Act and the Agricultural Products Board Act.

The act also provides for control of imports when a commodity is subject to an intergovernmental arrangement aimed at ensuring the best possible supply and distribution of such commodities in accordance with the needs of Canada. This control was of importance when exports of tin from the U.S.S.R. were threatening the International Tin Agreement. This control was removed on March 12, 1959, when an understanding was reached between the International Tin Council and the U.S.S.R., under which the U.S.S.R. undertook to limit shipments to Western markets to acceptable quotas.

Every effort is made to minimize inconveniences for exporters and importers under this act. Administrative procedures are simplified from time to time through the issuance of general export permits and general import permits, which eliminate the necessity of making individual applications for each shipment. The closest attention is given to suggestions received from businessmen and trade associations which seek to simplify procedures. All details regarding individual transactions are treated as strictly confidential between exporters and the control authorities.

The list of strategic materials is revised as conditions permit. Over the years this list has been substantially reduced. The objective is always to keep the export control list to the minimum commensurate with the needs of Canada's security. Machinery for consultation among the nations of the free world has been devised to define what is to be regarded as strategic, and therefore subject to control. Regular intergovernmental consultations are held with our allies to ensure that there are no differences in control policies and that our fundamental security interests are protected.

Honourable senators, I presume this bill will be referred to a committee, perhaps the Canadian Trade Relations Committee, where further explanations can be given.

Hon. Mr. Roebuck: May I ask what are the main items that are now under control?

Hon. Mr. Méthot: I have not the list of what is controlled. All these matters can be explained in committee.

Hon. Mr. Macdonald: May I draw to the attention of the honourable sponsor of the bill (Hon. Mr. Méthot) the fact that previous bills to amend this act have been referred to the Banking and Commerce Committee. It occurs to me that it might be preferable to refer this bill to the same committee, since it is familiar with the act.

Hon. Mr. Robertson: Did I understand the honourable gentleman to say that there is no control over exports to the United States, but that there is control over exports to every other country, including commonwealth countries?

Hon. Mr. Méthot: In the list the United States is included.

Hon. Mr. Robertson: That applies to strategic goods?

Hon. Mr. Méthot: Yes.

Hon. Mr. Robertson: But as to arms, did the honourable gentleman say that the United States is the only country as regards which no export control is exercised?

Hon. Mr. Méthot: I understand it is already settled by mutual agreement.

Hon. Mr. Robertson: For instance, is there export control in regard to Great Britain?

Hon. Mr. Méthot: Yes.

Hon. Mr. Robertson: But not to the United States? Is that new?

Hon. Mr. Méthot: No. I think there was a mutual agreement with the United States, and it is not new.

Hon. Mr. Robertson: It may always have been in the legislation, I do not know, but it seems rather strange to me that in regard to arms we should require control over export to the commonwealth but not over export to the United States, and I was wondering if that was a new development.

Hon. Mr. Méthot: No, it is not new.

Hon. Mr. Burchill: May I ask the sponsor of the bill (Hon. Mr. Méthot) if the features he outlined this evening were not all in the old measure?

Hon. Mr. Méthot: Yes, they were.

Hon. Mr. Burchill: Are there any new features introduced in the new measure that were not passed in 1957?

Hon. Mr. Méthot: No. The bill extends the date of expiring of the act from 1960 to 1963.

Hon. Mr. Wall: May I ask one minor question? There seems to be an anomaly to this bill. Probably there is an explanation for it. According to section 1, dealing with import controls, we are now giving statutory power to the Governor in Council to implement any action taken under the Agricultural Stabilization Act, which replaced the Agricultural Prices Support Act that was referred to in the 1957 amendment. My question is this: In the meantime has there been any control of imports under the Agricultural Stabilization Act, and if so under what statutory authority did that take place?

Hon. Mr. Méthot: I must admit that I connot answer that question. I think there was. I suppose this bill is intended to regularize the situation. However, the explanation can be given in committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Méthot, bill referred to Standing Committee on Banking and Commerce.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, May 11 the adjourned debate on motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Hon. Salter A. Hayden: Honourable senators, the honourable Leader of the Opposition (Hon. Mr. Macdonald), who adjourned the debate on this motion, has graciously permitted me to speak in his place.

Hon. Mr. Macdonald: But not in his name.

Hon. Mr. Hayden: No, not in his name.

Honourable senators, there are some things that I want to direct your attention to in connection with the provisions of this bill. The bill defines and deals with the question of finance charges, and then goes on to provide that every person who carries on the business of extending credit—that is, any person who makes a practice of lending money—is guilty of an offence under this proposed legislation unless he furnishes in writing to the borrower before the transaction becomes binding a statement showing in dollars the finance charges in connection with the contemplated loan, and, as well, the lender must give on a percentage basis, expressed in terms of simple interest per annum, the relationship of those finance charges to the money advanced or to the unpaid balance.

According to the definition of "finance charges", the expression includes interest, fees, bonuses, service charges, discounts and any similar type of charge. I want to point out that the definition is a very broad one. The definition of "credit" which is proposed to be covered by the provisions of this bill is also very broad in its application. It covers, I would say, any credit transaction entered into by a person who makes it his business to engage in extending credit.

In this list of finance charges I must first point out that interest is only one of the elements that enter into that description of finance charges. Then we have fees. Now, fees, I would take it, would include legal fees for services rendered, if the loan is a mortgage transaction, in connection with the search of title, the preparation of the mortgage and of the proceedings that surround the carrying through of a mortgage transaction; and I would take it that they would include anything else that comes within the category of fees, such as valuation fees if a valuation is necessary, and things of that kind.

If you stop there for a moment and look at the scope of this bill and what is brought into it by including the word "fees" in the definition of finance charges you have the situation that every mortgage company, every lending institution, every insurance company, every pension fund that lends money, would be required to include in a statement to the borrower the amount of the legal fees and

disbursements and any other fees that may be incurred, and also to give a percentage relationship of finance charges which would include those fees and disbursements expressed in terms of simple interest on an annual basis.

First of all, may I suggest to the lawyers who are members of the Senate that when a mortgage transaction is concluded one of the things that the lawyer does is to render a statement of the accounting and remit a cheque for the balance of the moneys to the borrower, so that at the time of the closing of the transaction the borrower is furnished by the solicitor in the transaction with a statement accounting for how the dollars which have been deducted from the amount of the loan which he had negotiated have been disbursed.

But be that as it may, there is a serious question in my mind as to whether legal fees, which are the obligation of the borrower, and the disbursements in connection with perfecting title in recording a mortgage, which also are obligations of the borrower—if he wishes to borrow money on security of land or improved property—as to whether those charges enter at all into a description of finance charges, if the purpose of this bill is to tell the truth in lending. I think that is a description that has been given to a bill that proceeds somewhat along the same lines and is at present standing in the United States Congress. It has been dubbed the "truth-in-lending bill", and it provides for this expression of the charges on a percentage basis by way of simple interest.

First, my objection to the inclusion of the word "fees" is that it is not necessary; it serves no useful purpose to bring within the scope of this proposed legislation every lending institution in Canada at the present time which would come under this bill. To the extent that Central Mortgage and Housing Corporation makes loans, notwithstanding the statement which is furnished showing how the moneys have been expended, it would be required to sit down and try to make a percentage calculation.

Now, it may seem an easy thing to make a percentage calculation expressed in terms of simple interest. I would have thought that if a borrower is told how many dollars the loan is going to cost him he has enough information for his purposes. If the cost in dollars is substantial, then he knows that the percentage rate expressed in terms of simple interest is going to be a very high figure too.

In this connection an interesting article appeared in the May 19 issue of the New York *Times*, with respect to the truth-in-lending bill in the United States, and is addressed solely to this question of trying to translate into terms of simple interest on an annual basis the facts in relation to a particular transaction. This article is based on a speech made by Senator Bennett from Utah to a public gathering, against the bill. The senator said he presented the following problem to a number of experts:

> A man buys a $20 battery on a Monday and begins payments the following Friday, his payday. He is paid every other week, so he makes four bi-weekly payments of $5 each, with payment of the $2 carrying charge two weeks later. How much simple interest does the $2 represent?
>
> "I asked a member of my staff, an economist, to compute it", Senator Bennett related. "He spent half an hour on it, but didn't have the formula he needed, so he referred it to the Library of Congress. After an hour's delay, the Library came up with 129.5 per cent. A professor of marketing worked on the problem and came up with 118.9 per cent. The man who posed the problem in the first place couldn't figure closer than between 110 and 130 per cent."

The article continues:

> An article in a magazine on the Douglas bill brought three additional solutions by mail, one 117.7 per cent and one 80 per cent, Senator Bennett said. A third, by a statistical expert for the Beneficial Management Corporation brought a two-page solution of 125.33 per cent.

That is to say, the problems posed in trying to translate borrowing costs into terms of simple interest are very difficult. I feel very strongly that if the borrower is told the cost in dollars he has enough information. And to strengthen that, may I point out that at the present time there is in the Revised Statutes of Alberta a statute called An Act respecting agreements relating to sales on time and to cash loans. In that act there are the two requirements which are in the bill before us, but instead of being joined by "and", making it compulsory that you should tell not only the cost in dollars but also the percentage relationship expressed in terms of simple interest, they are joined by "or". In other words, the statute of the province of Alberta, which in a more detailed way resembles the bill which my honourable friend from Toronto-Spadina (Hon. Mr. Croll) has proposed, indicates that the authorities in that province, in their experience, have seen fit to say you must furnish either the cost in dollars or the percentage basis of the cost expressed in terms of simple interest.

Hon. Mr. Croll: What is the reference to the statute?

Hon. Mr. Hayden: The Credit and Loan Agreements Act, Revised Statutes of Alberta, chapter 66.

Hon. Mr. Croll: Thank you.

Hon. Mr. Hayden: In the Alberta act there are many exceptions which my friend has not seen fit to include in his bill. In the main the act deals with two types of transactions, one called "Time Sale Agreements", and the other called "Loan Agreements". The Loan Agreements part in the statute deals with loan transactions from which are excluded a whole variety of transactions. Section 6 thereof excludes the following:

(a) loans made by banks incorporated under the Bank Act (Canada),
(b) loans made to a manufacturer, distributor, wholesaler or retailer in the course of his business and upon the security of his stock or inventory or any part thereof,
(c) loans repayable in one or more payments on which the whole cost of the loan to the borrower is expressed as a rate per centum per annum on the amount actually advanced to the borrower and declining balances thereof from time to time outstanding, if no other charges of any kind are to be paid by the borrower,
(d) loans made under or subject to the Small Loans Act (Canada),
(e) loans made by treasury branches established under The Treasury Branches Act,
(f) loans made by credit unions incorporated by or under statutory authority,
(g) loans made solely upon the security of real property,
(h) loans made by pawnbrokers in the ordinary course of their business, or
(i) loans made on the security of commercial property.

Then it goes on to stipulate the requirements to be furnished in connection with any loan agreement. There you have the provision in the alternative for furnishing either the dollars cost of loan or the cost on a percentage basis.

The Time Sale Agreements part has many exclusions as well. "Time Sale" means,

...a sale or an agreement to sell whereby the purchase price and charges in addition to the purchase price, if any, are to be paid within a fixed period by three or more payments any one of which does not equal the full amount first owing by the buyer on the sale or the agreement to sell...

And there are a number of exclusions in the Time Sale Agreements part, in the field of manufacturer, distributor and wholesaler. Also, the Time Sale Agreements do not apply to sales for an amount less than $100.

I cite the Alberta legislation to indicate first the approach to the matter in Alberta; secondly, that it is provincial legislation which has not been challenged by federal authority; and thirdly, that Alberta has seen fit to restrict in a very practical sort of way the application of the statute to an area, which would be a relatively small area when one considers all the exclusions, where there might be something less than the "truth in lending" told by a lender to a borrower under certain conditions.

Some other provinces of Canada have similar legislation. Ontario has what is called The Unconscionable Transactions Relief Act, R.S.O., 1950, chapter 402. Under that act there is machinery for questioning the reasonableness of any transaction, and the language is quite broad. Section 2 of that act provides:

2. Where in respect of money lent, the court finds that having regard to the risk and to all the circumstances the cost of the loan is excessive and that the transaction is harsh and unconscionable the court may,
(a) re-open the transaction and take an account between the creditor and the debtor;
(b) notwithstanding any statement or settlement of account or any agreement purporting to close previous dealings and create a new obligation, re-open any account already taken and relieve the debtor from payment of any sum in excess of the sum adjudged by the court to be fairly due in respect of the principal and the cost of the loan;
(c) order the creditor to repay any such excess if the same has been paid or allowed on account by the debtor;
(d) set aside either wholly or in part or revise or alter any security given or agreement made in respect of the money lent, and, if the creditor has parted with the security, order him to indemnify the debtor...

Hon. Mr. Macdonald: Does the honourable gentleman know when that act was passed?

Hon. Mr. Hayden: Yes, the Unconscionable Transactions Relief Act, as a separate statute in the province of Ontario, was enacted, I think, in the year 1938. Prior to that time it had been included in a larger statute of Ontario called the Money-Lenders Act. At or about the time when the small loans legislation was brought in by the federal Parliament the provisions which formed Part II of the Money-Lenders Act in Ontario, which is quite an old statute, were lifted and put into a separate statute called the Unconscionable Transactions Relief Act, and many of the provisions in the Money-Lenders Act were dropped.

Recently another statute was passed in Ontario which becomes operative on July 1 of this year, which is entitled An Act to provide for the registration of mortgage brokers. Under that statute there are provisions for licensing. It contains this provision:

Where upon a statement made under oath it appears probable to the superintendent...

that is, the Superintendent of Insurance in Ontario.

...that any person has
(a) contravened this act or the Criminal Code (Canada) in connection with his business as a mortgage broker; or...

And this is significant.

... (b) by any false, misleading or deceptive statement or advertisement, representation or promise, or by any dishonest concealment of material facts induced or attempted to induce any person

to borrow money or to be responsible for the repayment thereof or to agree to the terms of any transaction with respect to money lent on the security of a mortgage ...

the superintendent is armed with the authority to conduct an investigation, and he has all the usual powers pertinent thereto, such as for summoning witnesses and taking their testimony.

Hon. Mr. Choquette: May I ask my honourable friend a question?

Hon. Mr. Hayden: Yes.

Hon. Mr. Choquette: Do not money lenders get around all those acts today by charging a bonus of 25 per cent and adding a clause to the mortgage to the effect that the property is such that the risk is greater than it would be in an ordinary case, in which event the borrower or the mortgagor agrees to pay a bonus of 25 per cent? How could such lenders be prosecuted under these acts?

Hon. Mr. Hayden: First of all, my friend has posed a question to me which I propose to deal with shortly anyway. I assume my friend was following me when I read the provisions of the Unconscionable Transactions Relief Act to the effect that no matter what is written into a mortgage, or any other document evidencing a loan, there is still power for the courts to review the transaction. If the transaction appears to be unreasonable, harsh and unconscionable the court can set the transaction aside.

Hon. Mr. Roebuck: What power has the superintendent?

Hon. Mr. Hayden: The superintendent can, first of all, suspend or cancel a licence of the broker so that he is out of business.

Hon. Mr. Brunt: I have not seen the act. Can he deal with the transaction itself?

Hon. Mr. Hayden: No, his power is with respect to licensing.

It is significant, too, that there are provisions in this Ontario statute excluding corporations registered under the Insurance Act, the Loan and Trust Corporations Act or the Investment Contracts Act, the banks under the Bank Act, credit unions, non-resident insurance companies lending on the security of first mortgages or acquiring first mortgages of Ontario real estate by virtue of a licence in mortmain.

May I continue to show how the field is covered by the present legislation, and then I propose to make the point which I intend to make in relation to this bill.

We have two acts of the federal Parliament which deal with this exact situation in various ways. We have the Interest Act, which is Chapter 156 of the Revised Statutes of Canada (1952). Section 4 of that statute deals with all sorts of lending transactions other than transactions where a loan is made on real estate. It reads:

Except as to mortgages on real estate, whenever any interest is, by the terms of any written or printed contract, whether under seal or not, made payable at a rate or percentage per day, week, month, or at any rate or percentage for any period less than a year, no interest exceeding the rate or percentage of five per cent per annum shall be chargeable, payable or recoverable on any part of the principal money unless the contract contains an express statement of the yearly rate or percentage of interest to which such other rate or percentage is equivalent.

Hon. Mr. Roebuck: That does not take into account bonuses or fees.

Hon. Mr. Hugessen: Or service charges.

Hon. Mr. Hayden: No.

Hon. Mr. Croll: That is what we are talking about.

Hon. Mr. Hayden: My friend, the sponsor of the bill (Hon. Mr. Croll) in his description or definition of finance charges has included interest, fees and bonuses. Let me make a progression. My friend took more than five minutes to explain it. Surely I may move along progressively.

Hon. Mr. Croll: Yes, take all evening.

Hon. Mr. Hayden: I do not need to.

Hon. Mr. Brunt: This is a good speech.

Hon. Mr. Hayden: Section 6 of the Interest Act contains the provisions dealing with mortgage transactions. It reads:

Whenever any principal money or interest secured by mortgage of real estate is, by the same, made payable on the sinking fund plan, or on any plan under which the payments of principal money and interest are blended, or on any plan that involves an allowance of interest on stipulated repayments, no interest whatever shall be chargeable, payable or recoverable, on any part of the principal money advanced, unless the mortgage contains a statement showing the amount of such principal money and the rate of interest chargeable thereon, calculated yearly or half-yearly, not in advance.

So that in the Interest Act you have provisions covering both kinds of transactions. That is, you have a section which deals with interest in relation to mortgage transactions, and another section which deals with interest in relation to all other borrowing transactions. It will be noted that section 6 of the Interest Act deals with one circumstance where there are blended payments of principal and interest. That is a situation which occurs where you have mortgages drawn up for a principal amount and a lesser amount is advanced, and a rate of interest of 6 or 6½ per cent is stated. In those circumstances, when repayments are being made, there are blended payments of principal and interest,

because, I think my friend would agree with me, even a bonus in those circumstances would have the characteristics of being a payment for the use of that money and would take on the broad character of interest.

In Ontario, and I would expect elsewhere in Canada, bonuses are becoming more the style of the day than they have been for a great many years, certainly since 1940. In the period from 1920 to about 1930 bonuses were quite a common thing. And you will find in mortgages which are drawn in Ontario today by those who have any familiarity with the provisions of the Interest Act that there is a clause added at the end of the mortgage which stipulates the amount of money actually advanced and the rate of interest.

What the courts do is another thing, of course. We have had a lot of such cases in Canada, and many of them go back to the twenties when bonuses were quite common. We have the Supreme Court of Canada drawing a line and, in effect, saying this: If a mortgage is drawn for $15,000 with interest at 7 per cent, the lender advances to the borrower $15,000 and the borrower immediately pays to the lender $3,000, that transaction is outside the prohibition contained in section 6. It does not matter whether you agree with the reasoning or not. It is a decision of the Supreme Court of Canada and the basis on which the judgment proceeded seemed to be along this line. Since the full amount of money was advanced, there was no security taken in relation to that bonus of $3,000 which was subsequently paid, and therefore it is outside the scope of section 6. It is an agreement to pay that $3,000 and it exists separate and apart from any mortgage on real estate, and would be enforceable as such separate and apart from any mortgage on real estate. I have explained the decision as best I can for you, and in the circumstances my own view would not be important.

We have another federal statute which deals with this subject. It certainly covers the field up to $1,500. I refer to the Small Loans Act. The proceeding here is a little different.

Hon. Mr. Connolly (Ottawa West): Before the honourable senator proceeds on this point would he give the house the reference to the decision of the Supreme Court that he has just mentioned?

Hon. Mr. Hayden: Yes. It is *London Loan v. Meagher* (1930) S.C.R. p. 378. That was followed by another case in the Supreme Court of Canada, *Asconi Building Corporation v. Vocisano* (1947) S.C.R., p. 358. So it is not too long ago that the court again expressed its opinion.

The Small Loans Act will be found in the latest consolidation of the federal statutes, R.S.C. 1952, chapter 251. The statute was amended in 1956 and certain provisions were tightened. The range of the maximum loan was extended under the provisions dealing with the limitation on cost of loans. There the whole substance of the Small Loans Act was one of dealing with what was called the cost of the loan. Section 3 provided:

> No money-lender shall, in respect of any loan, directly or indirectly charge, exact or receive, or stipulate for the payment by the borrower of, a sum of money as a result of the payment of which the cost of the loan exceeds an amount equivalent to the amount or rate prescribed by this section . . .

Just to illustrate how it operates, one of the provisions is that the cost of a loan shall not exceed the aggregate of 2 per cent per month on any part of the unpaid principal balance not exceeding $300.

Hon. Mr. Macdonald: What does the cost include?

Hon. Mr. Hayden: Everything.

Hon. Mr. Croll: No, no.

Hon. Mr. Hayden: Well, my honourable friend has a right of reply.

Hon. Mr. Croll: I may as well correct my honourable friend while the time is ripe.

Hon. Mr. Brunt: While it is still fresh.

Hon. Mr. Hayden: The cost of the loan includes more than what we ordinarily describe as interest.

As a matter of fact, coming to the next point, since my honourable friend has made the interruption, when the Small Loans Act was being considered, in 1938, and when it became law, doubts were expressed as to the constitutionality or authority of the federal Parliament to enact legislation of this kind. In the course of committee hearings before the Standing Committee on Banking and Commerce of the House of Commons in June 1938, Mr. F. P. Varcoe, K.C., of the Department of Justice, gave his opinion. If I may I would like to quote that opinion, which indicated that the cost of a loan extends to include more than what is encompassed by the simple word "interest". I quote from the committee report:

> With a view of determining the matter of jurisdiction, the committee asked for an expression of opinion from the Department of Justice and were advised by Mr. F. P. Varcoe, K. C., as follows:
>
> First: That a project for the regulation of money lenders which would fall short of complete control would probably be inadequate and almost useless.
>
> Secondly: That the department concluded to advise the committee as to the powers of Parliament by reference to a feasible project as follows:—
>
> No sum in excess of X per cent of the principal sum loaned shall be exacted from the borrower as:—

1. Interest, that is to say, compensation for the use of money and for the risk of its total or partial loss; and
2. Service charges, whether genuine or interest disguised as such; and
3. Disbursements, real or fictitious; and any sum exacted in excess of such per cent shall be deemed oppressive and usurious, exposing the lender to criminal proceedings and invalidating the contract.

The opinion proceeds on this basis:

Dealing with items of charge mentioned in paragraphs 1, 2 and 3,—

—I have just read them: interest, service charges, disbursements, real or fictitious—Mr. Varcoe says:

The differentiation between true interest charges and service charges is so difficult (they are in many cases probably indistinguishable) and the possibility of disguising interest as other charges is so great that it becomes indispensably or reasonably necessary to regulate or fix these charges in order to make good the interest restriction and there appears to be no reason why the ancillary doctrine may not be relied on notwithstanding that the restriction of the rate of interest and the ancillary restriction of the service charges are contained in one and the same restrictive regulation.

Further, the principal ingredients in the gross sum charged the borrower is interest and if parliament fixes a maximum gross charge, it must be presumed that if the sum is exceeded an excessive interest charge is being made; therefore, the fixing of a gross maximum charge constitutes a limitation of the rate of interest.

The imposition of a gross maximum charge would have this effect, that in each case the interest ingredient therein would be fixed by reference to the other ingredients. It is arguable that by this means there would be a fixing of the interest charged in each case.

Then again, it is to be borne in mind that interest is not only compensation for the use of money but also compensation for accepting the risk of loss. The service charges, for example chattel mortgage expenses, are, theoretically at any rate, made to protect the lender against loss. Parliament, therefore, in restricting certain of the charges which the lender can make against the borrower is limiting the compensation for accepting the risk of loss and so is legislating in relation to interest or at the worst is enacting legislation necessarily ancillary to interest legislation.

He goes on to deal with other aspects, but that is the one aspect I am concerned with at the moment. The Small Loans Act became law, and we have the limitation contained in the Small Loans Act.

Hon. Mr. Roebuck: Was it constitutional?

Hon. Mr. Hayden: His opinion was that it was constitutional, because it rested upon the substantial basis that interest was the matter of substance that was being dealt with in the legislation, and interest belonged exclusively to the federal authority under the provisions of the British North America Act.

Hon. Mr. Roebuck: This bill will be constitutional also?

Hon. Mr. Hayden: I thank my friend for the interruption, and I will depart from my order of presentation to make the answer that in my opinion this bill is not constitutional, for the very reason that it does not deal in any substantial way at all with the subject of interest. Interest is one item in an enumeration of many items. The bill is wholly procedural. I would say that the bill would not be constitutional even on the basis that it is good criminal law. If there is any substance in this proposed bill at all it is simply to require the furnishing of certain information in writing according to a certain form. It does not affect or deal with interest, or the limitation or conditions under which interest may be charged and the conditions you have to satisfy in the charging of interest. The bill simply says that before the transaction becomes effective you must report in writing what is the cost in borrowing and express it in simple interest.

May I come back to where I was proceeding when the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) interrupted? He knows that as far as I am concerned he is perfectly free to interrupt. We had that agreement a long time ago. I exercise that privilege from time to time. He may exercise it a little more than I do, because he clashes with my constitutional feelings more often than I do with his.

Hon. Mr. Roebuck: More openings!

Hon. Mr. Hayden: Well, put it this way, that my friend thinks he sees more openings. I can assure him that I hope that in any statement I present he will find it terribly hard to make any openings.

In this field, then, we have a variety of legislation at the provincial level, as I have indicated. In the federal field there is the general law relating to interest, and there is the special act dealing with small loans.

Another submission I make to honourable senators is this, that so far as this bill is concerned, in my view of the law it has no application to the Small Loans Act at all, because the Small Loans Act is special legislation. This is a general bit of procedural legislation and would not in any way affect those who would be operating under and governed by the Small Loans Act. Also, in my view of the law, it would have no application to banks, because the charter of banks is found in the Bank Act, which is special legislation. Therefore, you would start by excluding from the purview of this bill any transactions which are provided for under the Bank Act and any transactions that are provided for under the Small Loans Act. When you go that

far you really remove a lot of territory from the scope of this bill, but there still remains in the bill a scope—

Hon. Mr. Brunt: What about the trust companies and the mortgage companies? Do you think they are included?

Hon. Mr. Hayden: In my view, the bill would extend to include a large class of operation in the first mortgage field, including reputable trust companies, life insurance companies, pension fund plans, and others in that field, where there can be no question of the borrower not being furnished with every detail of the cost of his loan. As a matter of fact, my friend made a very strong argument, when he was presenting his bill, in support of what I am contending, because a large portion of his remarks, even to the extent of quoting brief extracts from a magazine, or a house organ presented by Central Mortgage, all dealt with the field of second mortgages. Now, if my friend is satisfied with the practice in the field of trust company operation and life insurance operation, and other first mortgage lending institutions, as well as of credit unions, then the scope of the bill should be cut down so as to exclude them. In Alberta, as I have said, they have made very substantial exclusions. I pointed out that my friend has included in his bill one of the requirements of the Canada Interest Act, that is, expressing interest in a percentage per year, in relation to borrowing, other than borrowing on real estate. Therefore, that is covered by existing law. And if the answer is that, well, people don't know about it, or the lenders are not doing what they should be doing, and the borrowers are not doing anything about it, in my submission it does not do any good to pile upon a perfectly constitutional piece of legislation like the Canada Interest Act a bit of legislation such as this bill, which in my view of the law is not constitutionally sound.

Having given a résumé—and maybe of greater length than I should have done, but I felt that if I was going to deal with the subject I should do so in a broad way—may I just express my views? First of all, I think if my friend's bill were to have any acceptance at all the requirement should be in the alternative. I cannot conceive how it can possibly be said that a borrower who is told that his loan is going to cost him $150, if it is a mortage transaction of a certain type, would not have an appreciation of what that means in dollars; and when expressed in dollars I am sure he would have a better appreciation of it than when it is expressed as a percentage in terms of simple interest. Furthermore, I am also of the view that those who have recourse to borrowing of the type that we are discussing for their immediate and consumer needs are so fixed in their purpose to get those goods that they would get them in any event, even if the interest percentage was expressed at 150 per cent. I think that in a great many of these cases the philosophy is that if it is possible for us to find the means by borrowing what we desire to acquire in the way of consumer goods and to enjoy them, we are going to do it; and it may well be that when the time comes to pay for these things something will have happened so that we will be able to deal with it, and if it has not happened, well, the goods will be repossessed, but at least we have had present enjoyment rather than postponement to some future date which may never come. I think that is the philosophy you find in a lot of this type of buying to which my friend was directing his speech, to the extent that it might cover what I would call time sale transactions.

On loan transactions, mortgage loans, you have the requirements of the Canada Interest Act, under which you can collect no interest if you do not state properly the relationship of interest to the money advanced. I have indicated that there are ways of avoiding that, but there seem to be ways of avoiding any law within certain limits, I suppose, on the theory that human ingenuity devised the law and there must be equally acute human ingenuity to tackle it after it has been enacted and find ways of getting around it. The only explanation I can offer in support of what I have said is the fact that we sit here from year to year amending legislation which by experience has been found not to do the things it was intended to do, or to provide loopholes that were not intended to be provided.

Summarizing, I would say that the bill in the form in which it is, in my view, is not sufficiently thought out, that the scope is not within proper limits defined in relation to conditions as we have them. Surely it is not intended that a bill of this kind should pass into legislation under which every trust company, insurance company, lending institution and every credit union in Canada enjoying the highest standing in the community, even Central Mortgage and Housing Corporation, would be required to meet the conditions of this measure. I do not think my honourable friend is suggesting that all along the line the lenders are one hundred per cent fraudulent.

Hon. Mr. Croll: You know I did not suggest that. If you had read my speech you would have noticed that.

Hon. Mr. Hayden: That struck fire. What I said was that I do not think my friend is suggesting that.

Hon. Mr. Croll: Your tone indicated you did not mean it.

Hon. Mr. Hayden: My friend has his own private dictionary for interpreting tones, but let me say what is in my mind rather than have my friend say what he thought I meant. I say that I conclude that my honourable friend, in the course of the rather extensive way in which he developed his views of the matter in his presentation, was not suggesting that it was even a majority in the field of lending that was confusing and leading borrowers astray. I would go further, though, and say that there may well be some, but that the numbers would be very small. And if I take my friend and his protestations as seriously as he wants me to—because he rose and interrupted me—he must intend seriously to register the fact that he believes the number who impose upon borrowers is certainly substantially less, may I say, than one hundred per cent. If I may make that assumption, then I think my friend should have recognized it in his bill and made it apply to the field where abuses occur. But instead of that we have this broad bill which covers classes of lenders that should not be under legislation of this kind at all, classes of lenders who are subject to and realize they are subject to and observe the requirements of the Interest Act.

Secondly, I feel, so far as constitutionality is concerned, that accepting the opinion that Mr. Varcoe gave on the Small Loans Act as being the basic approach to constitutionality—that is, that the Small Loans Act was dealing substantially with interest, that the substance of the legislation was interest—

Hon. Mr. Hugessen: The pith and substance was interest.

Hon. Mr. Hayden: Yes, the pith and substance was interest. I would like to be stronger, but my innate training tells me to limit my words to my view of the law.

Hon. Mr. Brunt: That is the understatement of the evening.

Hon. Mr. Hayden: Now, my view of the law is that it cannot be said of this bill, as Mr. Varcoe said of the Small Loans Bill, that it deals with interest, that the pith and substance of the legislation is interest. Now, the pith and substance of this legislation, whatever it is, is not interest. There is a wide enumeration of the charges, and the pith and substance of the legislation, in my submission, is simply this, that a lender must give a statement in writing to the borrower as to the cost in dollars, and the percentage relationship of that cost in dollars to the money borrowed, expressed in terms of simple interest. All you have to do is to set down the two pieces of legislation, the Small Loans Act, with Mr. Varcoe's opinion of that point, and this bill, and you will realize that Mr. Varcoe's opinion would not in any way, in my view, support the constitutionality of this bill.

Further, I say that in my view it is not good criminal law. It is an attempt to enlist the covering or the ceiling of criminal law by saying if you do not give this information you are guilty of an offence. It is an attempt to gain a purpose which is not criminal and which is not stated to be criminal, and that purpose is to have a statement in writing furnished to the borrower as to the cost. The Privy Council, in the days when it was the court of last resort, and our own Supreme Court of Canada, time after time, have refused to uphold the constitutionality of legislation which purported to be criminal law, for the very reason that this was a guise, an attempt, to bring under the ceiling of criminal law something that was entirely different. One of the leading expressions of that was in the famous oleomargarine reference to the Supreme Court of Canada in 1951 or 1952. In the minority judgment of the Supreme Court of Canada the dissenting judges based their finding on the constitutionality of that oleomargarine legislation, which prohibited the manufacture, sale and importation of margarine into Canada, on the ground that it was criminal law. The majority of the judges said it was not, and gave their reasons exactly as I have been trying to paraphrase the law. And when the matter was argued in the Privy Council their lordships gave a unanimous decision, as they do, finding that there was no basis in criminal law at all for this, that it was simply an attempt to prohibit the manufacture, sale and importation of this article of food which they found to be nutritious.

Let us assume that this bill becomes law, and this written information is furnished. The lenders in those cases may be giving the information, without the requirement of this statute, as to the cost in dollars, but they may not be giving it as a percentage, depending on the complications. Therefore, basically you cannot assume for the purpose of this bill that there are lenders who must be forced, under the threat of criminal law, to do the thing which not to do becomes an offence under this measure. I suggest to you it is a very small percentage of those operating in the field as money lenders who take advantage of the borrower and either mislead him or state other than what the facts are,

and for those few cases I would say there is, in the variety of legislation to which I have referred this evening, ample scope for the borrower who has been "done in", if I may use that popular expression, to get redress.

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

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY— REPORT OF COMMITTEE ADOPTED

The Senate proceeded to consideration of the report of the Standing Committee on Transport and Communications on Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

Hon. William R. Brunt: Honourable senators, I was called out of the house at the time this order was called for consideration, and therefore was unable to proceed with it. I would ask for permission of the house to move that the report be now adopted. It will take only a few minutes to explain the amendments, and honourable senators who wish to speak on third reading of the bill will be given the opportunity to do so tomorrow.

Some Hon. Senators: Agreed.

Hon. Mr. Vien: Honourable senators, the translation of the evidence taken before the committee reached our hands only late today and I would like to suggest that we be given an opportunity to study it. With the understanding that we be given the opportunity to discuss the bill, section by section on the motion for third reading, I have no objection to the report being considered now.

Hon. Mr. Brunt: I am quite agreeable to that suggestion.

I formally move that the report be adopted now.

Hon. Mr. Vien: On division.

Hon. Mr. Brunt: Honourable senators, I wish to make one or two remarks on the motion for adoption of this report.

The committee made two amendments to the bill. The first was:

Page 2, line 4: Strike out "herein contained" and substitute therefor "in this act".

The purpose of this amendment was to make perfectly clear and certain that the proviso in section 3 of the bill applied to the whole of the act, and not to section 3 only. The amendment was made simply for greater clarification.

The second amendment read:

Page 2: After clause 5, add clause 6, as follows: "6. Nothing in this act shall release either of the companies from any of its contractual obligations."

When this bill was considered by the committee it was pointed out that both of the companies concerned had entered into certain contractual obligations long before this bill was ever introduced in this honourable chamber. All honourable senators who were members of the committee and present at the hearings wanted to make sure that the contractual obligations which had been entered into by the two companies, prior to the introduction of this bill in this chamber, should be preserved, and clause 6 was added so that the bill would not in any way interfere with any contractual obligations heretofore entered into by the two railway companies referred to in the bill.

Hon. Mr. Roebuck: Would there be interference in any event?

Hon. Mr. Brunt: There might not be. Some of the witnesses contended that the bill would not interfere with the obligations, but in order that there might be no doubt whatsoever clause 6 was added.

Hon. David A. Croll: Honourable senators, I regret somewhat that we are dealing with this report in the way we are tonight. I am not a member of the committee which considered the bill, but I was in the house when second reading was moved and the bill was debated. I also read the evidence taken before the committee.

While I think I have a fair understanding of what goes on, in this instance I am very confused, and I had difficulty understanding what the real problem was. I had hoped that the honourable acting chairman of the committee (Hon. Harold Connolly) would be in the house, and I would have the opportunity of asking him to make a statement as to the background and to deal with the evidence. That is not possible at this time.

However, before we are asked to deal with this bill finally on third reading, I think the acting chairman of the committee should make a statement to the house in connection with the hearings before the committee, so that we may reach some reasonable conclusion.

True, I did not understand too much about the $20 million we voted on the appropriation bill tonight, but I have got in the habit of voting for such a measure anyway. I do not want to fall into the bad habit of voting for bills, other than those of a monetary nature, which I do not understand.

Hon. Mr. Brunt: Is money not important?

Hon. Mr. Croll: I am thankful that a record was taken of the evidence before the committee and is available. As I say, I have read it, but I still have difficulty in reaching a conclusion that satisfies me. Therefore, I repeat, I think the honourable acting chairman of the committee (Hon. Harold Connolly) should make a statement before we proceed with the final step in considering the bill. I have no objection to the proposal that we adopt the report tonight.

Hon. Mr. Brunt: Honourable senators, to be perfectly fair to the acting chairman of the committee, he may be able to add something to what has been said, but I do not know what he can say that has not already been said on second reading and was given in evidence before the committee.

Hon. Mr. Croll: You don't know the acting chairman.

Hon. Mr. Brunt: I am not presuming to speak for him. I know, as sponsor of the bill, there is nothing more I can add.

Report adopted.

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

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for third reading tomorrow.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, May 25, 1960

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

Prayers.

EXPORT AND IMPORT PERMITS BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-4, to amend the Export and Import Permits Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Méthot moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

PRIVATE BILL

WESTERN SURETY COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-30, to incorporate Western Surety Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Choquette moved that the bill be placed on the Orders of the Day for third reading tomorrow.

Motion agreed to.

APPROPRIATION BILL No. 4

THIRD READING

Hon. W. M. Aseltine moved the third reading of Bill C-62, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY—MOTION FOR THIRD READING—PROPOSED AMENDMENT—DEBATE ADJOURNED

Hon. William R. Brunt moved the third reading of Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

Hon. Mr. Roebuck: Honourable senators, I thought we were to hear from the Acting Chairman of the Standing Committee on Transport and Communications (Hon. Harold Connolly) before the bill was read the third time.

Hon. Mr. Croll: I believe it was indicated that the sponsor of the bill (Hon. Mr. Brunt) would make certain comments.

Hon. Mr. Brunt: Honourable senators, I do not think there is much I can add to what I have already said with respect to this bill. Briefly, the bill concerns two railways, the Wabush Lake Railway Company Limited, which is a railway incorporated under the laws of the province of Newfoundland, and the Arnaud Railway Company, which is a railway incorporated under the laws of the province of Quebec. Both of these companies have to use the Quebec North Shore and Labrador Railway in order to transport iron ore from Wabush Lake to a wharf situated on the north shore of the St. Lawrence River, just west of Seven Islands. A rate must be fixed for the transportation of this iron ore before the Wabush Lake Railway Company can do its financing. The rate can be fixed either by negotiation or by some public body after it has heard evidence from all interested parties. The only body in Canada competent to fix a rate in a situation such as this is

the Board of Transport Commissioners. However, this board cannot hear an application until the two railway companies which are referred to in the bill are brought under the jurisdiction of the Parliament of Canada, the Railway Act and the Board of Transport Commissioners. These two companies, the Wabush Lake Railway Company Limited and the Arnaud Railway Company, are therefore asking in the bill to be placed under this jurisdiction, so that the Board of Transport Commissioners will be able to deal with the matter of rates.

Hon. Thomas Vien: Honourable senators, I have had the opportunity to read the minutes of the deliberations of the Senate Standing Committee on Transport and Communications on this bill and to consider the amendment made in committee. It is obvious that a majority of the committee's members was of opinion that nothing in this act should relieve either of the companies from any of its obligations. In its present form, however, this bill does not provide what the committee had in mind, because it does not ensure that either of the companies may not be released from its obligations. There is a conflict between sections 4 and 6 of the bill. Section 4 states:

> Notwithstanding section 3, each of the companies and any corporate successor or successors thereof, in respect of their respective tolls and tariffs, and of the operation, construction, improvement, maintenance and control of all railways and railway undertakings which either of them may own or operate in Canada, shall hereafter have all the powers, rights and immunities and be subject to all the obligations provided for in the Railway Act in respect of railways and railway undertakings subject to the legislative authority of the Parliament of Canada.

In the copy of the section which I shall hand to *Hansard* I have underlined certain words.

If, under the provisions of the Railway Act, the Transport Commissioners can set aside an agreement, or change its tenor, then section 6 becomes inoperative, or in conflict with section 4. In my opinion this bill should be referred back to the committee—

Hon. Mr. Reid: Hear, hear.

Hon. Mr. Vien: —with instructions to amend it by adding the following words at the end of section 6:

> , the Railway Act or any other act notwithstanding.

Section 6 would then read as follows:

> Nothing in this act shall release either of the companies from any of its contractual obligations, the Railway Act or any other act notwithstanding.

That would make it clear that, although these companies are now brought under federal jurisdiction, neither of them can be released from their contractual obligations. That was clearly the intent of the committee, as appears from a glance at section 6. Section 35 of the Railway Act gives the board jurisdiction to deal freely with complaints concerning the violation of agreements. That section reads as follows:

> Where it is complained by or on behalf of the Crown or any municipal or other corporation or any other person aggrieved, that the company has violated or committed a breach of an agreement between the complainant and the company—or by the company that any such corporation or person has violated or committed a breach of an agreement between the company and such corporation or person—for the provision, construction, reconstruction, alteration, installation, operation, use or maintenance by the company, of by such corporation or person, of the railway or of any line of railway intended to be operated in connection with or as part of the railway, or of any structure, appliance, equipment, works, renewals or repairs upon or in connection with the railway, the board shall hear all matters relating to such alleged violation or breach, and shall make such order as to the board may seem reasonable and expedient, and in such order may, in its discretion, direct the company, or such corporation or person, to do such things as are necessary for the proper fulfilment of such agreement, or to refrain from doing such acts as constitute a violation or a breach thereof.

Therefore, unless we add the words I have suggested, section 6 as recommended by the committee would be meaningless.

Honourable senators, I therefore move, seconded by the honourable senator from Ottawa (Hon. Mr. Lambert), that section 6 be amended by adding at the end thereof the following words:

> , the Railway Act or any other act notwithstanding.

Hon. Mr. Roebuck: The clause which the honourable senator has just read from the Railway Act seems to give to the Board of Transport Commissioners power to make a reasonable decision in the case of a dispute between parties with respect to contractual obligations. This amendment takes from the Board of Transport Commissioners the power that Parliament has given it in that respect. The amendment provides that no contractual obligations shall be interfered with, notwithstanding what the Railway Act has done in giving certain powers to the board. Now, would this amendment go so far as to alter that situation and prevent interference with contractual obligations, irrespective of any order of the Board of Transport Commissioners?

Hon. Mr. Vien: I think so, and it was for that purpose that I moved the amendment. There was a strong suspicion in committee that these two companies were coming to

Parliament to relieve themselves of contractual obligations. If we pass this legislation these companies could go to the Board of Transport Commissioners and obtain orders relieving them of their contractual obligations. The committee was emphatic against that. Contractual obligations should be respected. We should not provide any method for interfering with them. Under the guise of declaring these railways "works for the general advantage of Canada" the promoters of this bill are asking us to enact legislation which would have the effect of relieving them of obligations which they have willingly assumed. The purpose of the amendment, which the committee made by adding section 6, was clearly to prevent that.

My contention is that the committee's amendment does not accomplish what the committee intended to do; it does not go far enough, and it causes sections 3, 4 and 6 to conflict. A subcommittee was appointed to consider this bill; I was a member thereof. We struck out of section 3 the words "herein contained", because they might be construed as meaning "nothing in section 3 contained". The subcommittee agreed that section 3 should be amended to read, "Nothing in this act", but section 4 says, "Notwithstanding section 3". So there is a contradiction between section 3 and 4, and another contradiction in section 6, which has been added, and which reads:

Nothing in this act shall relieve either of the companies from any of its contractual obligations.

If, under section 4, we make the Railway Act applicable, then the Board of Transport Commissioners will not be bound to take contractual obligations into account. The commissioners have discretionary powers to take them into account or to brush them aside, and they may make in the premises any order that may commend itself to their good judgment. But if we add the words that I have suggested, "the Railway Act or any other act notwithstanding", it becomes abundantly clear that neither the Board of Transport Commissioners nor any other body could relieve the companies from their obligations.

Hon. Mr. Monette: From their contractual obligations.

Hon. Mr. Vien: Yes, from their obligations contracted under any agreements with respect to through rates or running rights, etc. Some of these agreements have not yet been drafted in legal form, but they have been agreed to, in principle and in writing.

Under section 333 of the Railway Act the board has full power to prescribe tariffs and rates. Well, if under signed agreements there is a contractual obligation to accept certain through rates or certain stipulations with respect to running rights, upon application or of its own motion the board could set them aside and, as the honourable sponsor of the bill (Hon. Mr. Brunt) said a minute ago, could prescribe rates which in its opinion are fair and reasonable.

Let us be careful before we enact legislation which might in effect set aside contractual obligations. My amendment would simply make this abundantly clear.

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

Hon. Mr. Monette: Honourable senators, may I be allowed to put a question to the honourable senator from De Lorimier (Hon. Mr. Vien)? Are the contractual obligations that are referred to existing obligations, or obligations of the past that may have already been discharged by an act of Parliament? The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) mentioned, if I am not mistaken, that this suggested amendment to section 6 might affect contractual obligations of the past which by prior acts of Parliament had been released. I should like to ask if the amendment would not meet the honourable senator's point if it read:

Nothing in this act shall release either of the companies from any of its contractual obligations existing at the time of the enactment of this bill.

Hon. Arthur W. Roebuck: Honourable senators, may I have the indulgence of the honourable gentleman who moved adjournment of the debate (Hon. Mr. White) to say just a word?

We in this chamber are deeply concerned with regard to contractual obligations. We support the enforcement of law in that regard, but it is one thing to be concerned about contractual obligations, and another thing to bow down to them as a fetish. English law has never done that. English law has always held the principles of equity to be superior to those of common law. Our mortgage law came into being by an equitable modification of the strict construction of a common law contract. All through the ages we have been careful that a contractual obligation be not excessively oppressive on anyone. We have set aside contractual obligations when they have been oppressive. For instance, we will not enforce a contract of employment that is unreasonable, excessive or oppressive. There are many illustrations which I might give had I time to think of them.

As the honourable senator has said, the very purpose of this amendment is to take from the Board of Transport Commissioners the powers that apply in all other cases,

under all circumstances, to enforce the principles of equity with regard to contractual obligations. The same argument might be made with regard to every railway and every contractual obligation that has been entered into either prior or subsequent to our giving to the Board of Transport Commissioners the powers that we have given it.

I agree with the honourable senator that this bill might well be referred back to the committee for further study, but in doing so I would say that one should hold clearly in mind the balance between the desirability of upholding contractual obligations and the equal desirability of not pulling the teeth of the Board of Transport Commissioners. The general powers which we have given to that board were for salutary purposes and good reason, and we should be careful not to take away those powers.

The Hon. the Speaker: Honourable senators, before putting the motion for adjournment of the debate I shall put the question on the amendment.

It is moved by the Honourable Senator Vien, seconded by the Honourable Senator Lambert, that section 6 be amended by adding at the end thereof the following words:

, the Railway Act or any other act notwithstanding.

Is it your pleasure to adopt the motion?

Hon. Mr. Brunt: No.

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Hon. William R. Brunt: Honourable senators, I propose to speak very briefly on this bill today. Last evening the honourable senator from Toronto (Hon. Mr. Hayden) gave us a very able and informative speech on the bill, in which he covered a great deal of the legislation dealing with this particular subject. However, he did overlook reference to one act, to which I shall refer at the commencement of my remarks. It is known as the Unconscionable Transactions Relief Act, R.S.O. (1950), chapter 402.

Hon. Mr. Hayden: Would my friend permit me to draw his attention to the fact that I not only referred to the act, but I gave the citation and read some sections from it?

Hon. Mr. Brunt: I am sorry. I apparently overlooked it. You dealt with section 2?

Hon. Mr. Hayden: Yes.

Hon. Mr. Macdonald: As a matter of fact, I asked when the act was passed.

Hon. Mr. Brunt: I overlooked that completely.

I understand that some recent amendments have been made to the act. Did my honourable friend cover those?

Hon. Mr. Hayden: Not in this connection.

Hon. Mr. Brunt: Unfortunately, I have not been able to get hold of the amendments.

Section 3(a) of the bill before us requires that the lender of money shall furnish to the borrower a clear statement in writing setting forth the total amount of the finance charges to be borne by the borrower in connection with the transaction. I think everyone will agree that this is a simple thing to do, and can be done. It is with respect to paragraph (b) of that section that disputes may arise, on the calculation to be made as to the true rate of interest. However, for the purpose of my remarks this afternoon I am willing to concede that it is a simple thing to work out the actual and true rate of interest, taking into consideration all the items enumerated in the bill. That being the case, I would like to look at an actual transaction that might take place if this bill became law.

Hon. Mr. Connolly (Ottawa West): Did the honourable senator say it is a simple thing to comply with this paragraph?

Hon. Mr. Brunt: I said let us assume that it can be done quite easily and simply without arguing about this particular paragraph, let us assume that it is not going to be difficult to deal with its provisions. Let us take an example of a borrower who goes to a lender and obtains a loan on which there are finance charges, discount insurance, bonuses and everything else included in this category; the loan is made, the borrower signs an agreement to repay it, takes his money, and leaves. But the lender, through an oversight, or perhaps because he is busy, neglects to give the borrower the two statements referred to in this bill. What happens then?

The first payment becomes due, the borrower cannot meet it and he consults a solicitor. The solicitor looks at this act and advises that in his opinion the lender is guilty of an offence. The borrower then goes to a Justice of the Peace and lays a charge. Now, I do not know what the penalty will be under this section. It will be either a fine or a jail term. Let us assume the lender

is fined for not having complied with the provisions of section 3. That is the first penalty to which he is subject.

The solicitor then looks at section 4 and advises the borrower that he does not have to pay any of the finance charges. He looks still further at section 4 and asks the borrower, "You owe considerable money under this agreement?" The borrower agrees that he does. The solicitor then advises him that he is relieved from paying the balance owing.

In my opinion this proposed legislation is loaded against the lenders of this country, and I do not think they should be treated in this manner. If the bill provided that a borrower must pay back the actual sum that was advanced, there would be some equity to it; but I fail to see either equity or fairness if, because of failure to provide the statements to the borrower, the lender is fined, is then prevented from collecting any of the finance and other charges, and is also unable to collect any balance owing of the moneys actually advanced.

Hon. Mr. Hugessen: No. Surely it is only the finance charges that he cannot collect. He can collect the principal.

Hon. Mr. Brunt: What about the words, " . . . shall not be entitled to recover . . . any finance charges whatsoever on the outstanding principal or unpaid balance under the transaction"?

Hon. Mr. Hugessen: That is, finance charges on the unpaid balance.

Hon. Mr. Brunt: The bill uses the words —"or unpaid balance".

Hon. Mr. Hugessen: I was reading it differently from my honourable friend. I thought it was conjunctive and to the effect that the person in the business of extending credit cannot recover any finance charges whatsoever on the outstanding principal obligation or on the unpaid balance.

Hon. Mr. Brunt: No, he cannot recover the unpaid balance. That is my interpretation of section 4. I may be wrong in my interpretation, but on that interpretation I think the bill is altogether too severe.

There is another feature of the bill which I do not like. Many arguments could arise as to whether or not the lender gave to the borrower the statements required by section 3. If the bill complied with the provincial legislation and had required a statement to be filed in the county or district courts in a manner similar to that in which conditional sales agreements or chattel mortgages and bills of sale are filed, then no argument could arise, since the filing would be notice. Any person obtaining a loan would know that the statements required by section 3 were filed with the clerk of the county or the district court and could go there and see the statements. Under this bill there will be no end of arguments and litigation.

In view of all of this, I regret that I shall not be able to support my honourable friend's bill.

On motion of Hon. Mr. Connolly (Ottawa West), debate adjourned.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 423 to 433, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

IMMIGRATION

WITHDRAWAL OF MOTION TO DIRECT COMMITTEE TO REVIEW DEPARTMENT'S ANNUAL REPORT

On the Order:

Resuming the postponed debate on the motion of the Honourable Senator Wall, seconded by the Honourable Senator Smith (Queens-Shelburne):

That the Standing Committee on Immigration and Labour be authorized and directed to review the Annual Report of the Department of Citizenship and Immigration, excluding that portion of the Report which deals with the Indian Affairs Branch; and

That the said committee have power to send for persons, papers and records.—(Honourable Senator White).

Hon. William M. Wall: Honourable senators, it is my intention to ask for the consent of the honourable members of this house to my withdrawal of the motion standing in my name, but before I commit myself formally to this request I feel I should make a few remarks, if I may be permitted that privilege.

Some Hon. Senators: Agreed.

Hon. Mr. Wall: Without going into any lengthy explanation of the sequence of events which began with my giving notice of this motion on March 1, and proceeding with its formal introduction on March 22, I feel I should say that I was ready to proceed with it at a much earlier date, but in a spirit of friendly co-operation I waited for action to be taken on the manpower study suggestion which was made on March 8, and supported on March 9 by various members of this house. In other words, I voluntarily withheld the presentation of my motion in anticipation of a reasonably speedy introduction of a Government-sponsored resolution calling for a manpower study.

On March 22 I decided to introduce my motion, and at that time I made reference to the fact that I had heard that the matter of a manpower study was under advisement. It was at this point, honourable senators, that the honourable senator from Hanover (Hon. Mr. Brunt) interjected with the first recorded commitment that such a study was under advisement, but no more than that.

Reference has been made to the fact that I had indicated my willingness to withdraw my motion if there was assurance that the manpower study would be set up. This is substantially correct, but my assurance was really couched in more cautious terms. I would refer honourable senators to page 386 of *Hansard*, and especially to the words:

> ... and if there were additional assurances that the terms of reference for this study would be broad and flexible enough to include some consideration of our present immigration policy, together with its administrative practices and procedures.

However—and we must remember that this was on March 22—I observed further that I felt my motion merited our attention and support even if the manpower study was to be organized. And at that time I explained that a study specifically directed to the problem areas in immigration and citizenship would give these matters more thorough attention than might be possible in a general manpower study. I still believe this to be so, and I am not so naïve as to think that immigration problems will play much part in the manpower study which we are undertaking. However, time will tell, and I am willing to learn.

We have now adopted the resolution for a manpower and employment study. Although I regret very much what I consider to be an unnecessary and an unfortunate lapse of time in bringing this motion forward, I recognize that a well-organized study of manpower will be, for us, a major undertaking to which we must bend our very best efforts, because the subject-matter is of tremendous importance to all Canadians. I have already expressed in general terms my advance support of a motion to get a manpower study underway, and I should not like to be held responsible for anything which might interfere with its success. I must confess that I, for one, feel that the best we can do during the present session is to make a reasonably good beginning, for its projected scope must be adjudicated in the context of the legislative work that still awaits us in the next couple of months, and in the context of the work of the Special Committee on Land Use, the Joint Committee on Indian Affairs, the Standing Committee on Divorce, and the Standing Committee on External Affairs, which is still to deal with a very comprehensive reference presented by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) and agreed to by the Senate.

Hon. Mr. Reid: I wonder if the honourable senator would permit me to ask a question.

Hon. Mr. Wall: Certainly.

Hon. Mr. Reid: Would he not agree that any worth-while study of Canada's manpower employment situation would have to embrace the subject of immigration?

Hon. Mr. Wall: I would agree with the honourable gentleman from New Westminster (Hon. Mr. Reid) that immigration, in terms of manpower and its relationship to the labour force, will play a part in the study that the special committee on manpower and employment will undertake, but I do not think—and I stand to be corrected—that the manpower and employment study can enter into many of the problem areas of immigration that are bothering people at the present time.

I want to bring to the attention of the house a newspaper report which appeared in the Ottawa *Citizen* on Friday, May 20, under the heading "Shelve Immigration Act Changes". The story says that the Minister of Citizenship and Immigration and the department are now ostensibly ready to present a complete revision of the Immigration Act, as was pledged by the Prime Minister in the 1957 election campaign, but that the decision to present this new legislation, which has been ready and awaiting enactment for several months, has been shelved temporarily by what the newspaper story describes as a cabinet decision. I do not know whether this story is accurate but if it is, then it means that much of the departmental thinking has jelled into what are really legislative amendments, and in this context it appears that a study of immigration problems would have been a very fortuitous thing.

I would also point out that the honourable Minister of Citizenship and Immigration, speaking in Toronto on April 30 of this year, said that she had many suggestions to make concerning the Immigration Act. She went on to say:

> I know that many have been pressing for a revision of this legislation and that such revision is indeed imperative.
>
> All I can say at the moment, however, is that the whole immigration policy is being studied most exhaustively and I hope before too long to be in a position to recommend changes in the Immigration Act and Regulations.

I am drawing these two matters to the attention of honourable senators because, although I am going to withdraw the motion, I do feel there is a very important service

that can be provided by a Senate committee through a study of various immigration problems—not as a departmental study but as the kind of study that is best undertaken by a Senate committee. As I pointed out when I introduced the motion, this kind of review was very well performed several years ago by our Standing Committee on Immigration and Labour. I want to suggest that this same committee be asked to perform this task once again. Under present circumstances, however, perhaps we should wait until after the commencement of the next session of Parliament. At that time we may have the benefits of the departmental study I referred to and about which the minister spoke. At that time, too, the new Deputy Minister of Citizenship and Immigration will have had an opportunity to become better acquainted with the problems upon which we may wish to seek his advice.

Honourable senators, in conclusion may I say that I continue to believe in the importance and the value of a separate Senate review of the problems connected with immigration and citizenship; and although I am prepared to yield and withdraw my motion at this time, for the reasons I have indicated, I hope to be able to submit a motion of a similar substantive content at the beginning of the next session of Parliament, unless, of course, some other honourable member or the Government wishes to undertake this very worth-while task.

Honourable senators, with the consent of the honourable senator from Queens-Shelburne (Hon. Mr. Smith) and with the approval of the honourable senator from Rockcliffe (Hon. Mrs. Wilson), who supported me so generously in this whole idea, I ask for leave to withdraw the motion now standing in my name.

Hon. Senators: Agreed.

Motion withdrawn.

CANADA'S CENTENNIAL

DEBATE CONTINUED

The Senate resumed from Thursday, May 12, the adjourned debate introduced by Hon. Mr. Cameron, who called attention to Canada's Centennial Year 1967 and suggested "that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future".

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I rise with some hesitation because what I have to say deals with principles, rather than with the organization being set up for the celebration of the Centenary of Confederation.

I listened with great interest to the speech of my friend from Alberta (Hon. Mr. Cameron), and I agree with the idea that the centenary of the Canadian Confederation should be commemorated in some tangible fashion. However, after the developments which have taken place during the last few weeks all over the world I wondered if we were not forgetting something. We want to hold impressive celebrations, we want to build in each province universities and institutions of higher learning, we want to give scholarships to our students and bursaries to our professors, our scientists and many other things. But of what use will all those advantages be if there does not exist within our Canadian Confederation a spirit of true co-operation between all its citizens and, especially, between the two communities forming the greater majority of the Canadian people—I mean the English-speaking Canadians and the French-speaking Canadians?

Unfortunately, such co-operation is entirely lacking in some sectors; not only does it not exist, but steps are taken in some quarters to prevent it from ever existing. In those sectors, there is an ostentatious determination to dominate on the part of the majority who say to the minority: "You must submit"! At the other end, we find among the minority certain fanatical individuals trying to promote a spirit of division, I would even go so far as to call it a spirit of hatred, based on the arrogance of a few.

Now, what is the use of all these preparations and demonstrations, if, in seven years' time, we discover that the nation is suffering from a division that can only be harmful to our country and prevent it from developing and growing as it should?

Some people imagine that the province of Quebec would like to dominate the whole country. Nothing could be further removed from the truth and the facts are there to prove it.

If that were so, how is it that in the city of Quebec, for instance, where more than 90 per cent of the population is French-speaking, companies directed by English-speaking Canadians or by Americans can do so well and expand as they do? And if you take the province as a whole, how could the large corporations established therein grow, develop and prosper?

Tell me, is there any province in Canada where the allotment of tax proceeds, from the point of view of schools, is handled with

as much justice and fairness? If the other provinces did likewise, a great step would be taken to promote harmonious relations in our country.

The province of Quebec has no monopoly on fanaticism. I wonder if I should give a few examples. Here are a few which have come to my knowledge.

I sent my young daughters to complete their studies in a convent, in Toronto, not only to enable them to learn English but also to give them an opportunity of knowing English-speaking Canadians of another province. I did the same thing with my sons. One day, while one of my daughters and I were in a street-car, in Toronto, we were speaking French and a lady took the trouble of getting up from her seat to tell me: "You are in Toronto, here; you must speak English." A few weeks ago, as I was going to lunch, I was walking down a hall in the Parliament Building and I heard two gentlemen saying to each other, in English: "Those blasted French Canadians!" I will not repeat the rest of the sentence, but I realize that certain things which happened during the last few weeks confirm only too well what those gentlemen had in mind.

That is not the way we will achieve understanding in Canada.

I could also add: Why are newspapers allowed to make offensive and malicious insinuations concerning Quebec, in their headlines? For instance the headline of a newspaper of May 7, 1960 reads as follows: "Ottawa Studies Tax File Racket—Charity Donations Cut Income Revenues". It goes without saying that all the examples given are from the province of Quebec, which leads people to jump to conclusions and to say: "Charitable donations constitute a racket in the province of Quebec."

I do not deny that there are abuses. Some great financiers pass off as company expenses their own personal expenses for entertainment, for their fishing clubs, for servants' wages, for administration. However, because a few act that way, we must not conclude that all financiers are trying to evade payment of income tax.

In regard to charitable donations, let us consider the facts. There are close to two hundred and fifty Catholic churches in Montreal and not more than fifty Protestant churches. Churches of the Catholic faith fill up five, six or seven times and even more every Sunday, while Protestant churches hold one or two services per Sunday. The facts of history are there to remind us that in 1760, when the new régime took over, all those with any means returned to France. Only the landed population remained here, poor in everything but good will, love for the soil and courage. Consequently, millionaires are few and far between in our midst and when a French Canadian dies, unlike English-speaking millionaires, he cannot make a bequest of one, two or three million to some university, or leave any worthwhile sum to his church or cultural institutions. If our objectives are to be met, our donations must be divided and multiplied no end. So you have families donating $1, $2 or $5 every week or $52, $104 or $260 a year. Lump-sum donations of that order being quite unthinkable we have to resort to small instalments. This makes it possible for the thousands of people who fill our churches every Sunday to donate to their churches, convents or other institutions sums of money amounting to relatively large totals by the end of the year. When, two years ago for instance, the Archbishop of Quebec City requested a voluntary subscription in order to build a seminary for the education of future priests, 35,000 canvassers set forth on a fund-raising campaign on a given day and time and at five p.m. on that same day they had gathered pledges totalling more than 7 million dollars. Of course, the 7 millions were not collected in full there and then, but payments were spread over the next twelve months. Therefore, the so-called "charitable racket" is no racket at all.

It is true that most people do not read through articles appearing under such flamboyant titles; belittling a province is no way to attain the unity we seek.

However, I do not think that all English-speaking Canadians share this feeling of contempt toward Quebec. As a matter of fact, we have in Parliament striking examples to the contrary: the Speaker of the other Chamber and my own leader in the Senate (Hon. Mr. Macdonald), who was formerly Speaker of the House of Commons. Both of them are men of distinction and high culture and they did not fear to come to Quebec to follow courses in French, not only in order to learn our language, but also to become acquainted with us and to learn to understand French Canadians. I might also mention the Speaker of the Senate, who speaks French and English with equal fluency. We also have our two colleagues from Ottawa, the Hon. Senator Choquette and the Hon. Senator Connolly, who speak both languages fluently.

Recently, a conference was held in Ottawa under the auspices of the Canadian Citizenship Council in order to set up a committee to provide the foundations of a National Council to organize the celebration of the

Centenary of Confederation. The committee met for the first time on May 6, 1959, in Toronto and a second time, in Montreal, on the 11th and 12th of February 1960. At the outset, it included one French Canadian member, Rev. Father André Renaud, a member of a Commission for the Eskimos. When the committee met in Montreal, the name of Mr. André Bachand, of the University of Montreal, was added. It seems to me that, at the last meeting which took place in Ottawa about ten days ago, invitations should have been extended to the representatives of the main organizations of all denominations from all over Canada. As far as French Canadian bodies are concerned, I do not know that any group of any importance received an invitation, although more than 275 questionnaires were apparently addressed to certain individuals, who were invited to join the Centenary Committee. I know for a fact that the *Conseil de la vie française*, the *Association canadienne des éducateurs* and the *Fédération des Sociétés Saint-Jean-Baptiste* received no such invitation. On the other hand, large corporations like Imperial Oil, Canadair, etc., were invited.

How can we possibly celebrate the Centenary of Confederation in such a spirit of division? How can there possibly be any solidarity among the various groups if at the outset a certain consideration, a certain procedure, is completely ignored in this country which we claim is bilingual?

Last year I met a delegation of Europeans, who were Belgians, Swiss or Italians. I told them that Ottawa was a bilingual city, but the next day they asked me: "Where is your bilingualism?"

There are certain small things which we are not obliged to do but which we do through courtesy and to show that we recognize greatness in a man when we see it. We have here in this Chamber, for example, the gentleman from Inkerman (Hon. Mr. Hugessen), who has just been elected Bâtonnier of the Montreal Bar. As you know, most of the lawyers in Montreal are French speaking, but that did not prevent them from recognizing in our colleague a man of distinction, experience and wisdom, and thus establishing the rule that every second year the Bâtonnier will be an English-speaking lawyer. He is just as much of a Canadian as we are and we are as Canadian as he is. I remember hearing this same colleague say in this chamber that in Quebec no group tries to dominate the other, that we walk shoulder to shoulder—that is how he put it—and that attitude is essential if Canada is to grow and prosper in unity.

Last Sunday, l'*Alliance canadienne* met for the third time. The convention took place in Ottawa and Mgr. Maheux, its outgoing president had this to say:

> The main difficulty in Canada lies in education. We, Canadians, have to live together, although we have two languages and two cultures. There should be no question of a majority or a minority. Our criteria should be based on values, not on statistics. It would be a shame to be divided into two separate reserves. Every Canadian, in any part of Canada, must have access to the sources of his cultural heritage.
>
> In 1769, it would have been inconceivable to deprive of their language the 60,000 Frenchmen who had become Canadians. The thought would not have come to any English officer or any other man of culture. Some fanatics, with a colonial turn of mind, obtained the recall of Murray who was replaced as governor by Carlton, but the latter finally had to come back to Murray's system, which favoured bilingualism and friendship with the French Canadians.

I submit that everywhere in Canada we should, in deeds as well as in words, practise this friendship and further such co-operation.

A movement seems to be taking shape which would seem to embody the true spirit which should preside over our Centenary festivities. An effort is being made in that organization to raise the iron curtain which seems to separate the province of Quebec from some other parts of Canada.

We still have seven years to go before the Canadian Confederation has reached its centennial. Instead of trying to find faults with one another, of criticizing one another, each one of us—professors, educators, public officials, etc.—should strive during those seven years to understand one another, to get along with one another, to develop that spirit of co-operation, of justice and of equity which must exist between Canadian citizens. That some of us are Latin and others, Saxon, that is all for the best! Each group contributes the value of its culture to the wealth of the country. During a concert, there is not only one type of instrument which plays; on the contrary, there are several types, and the whole orchestra creates that harmony which charms us; yet, that does not prevent each instrument from creating individually its beauty, its song, its music. The same thing could be said of a choir; tenors, sopranos and basses unite their voices to give the choir its range, its power, its beauty.

All this is very nice in theory, but is it possible in practice? It is impossible to convert those words into deeds if no one wants to be convinced of their truth. However, this ideal is possible if we, the leaders, do the utmost towards the implementation of our beliefs.

Some people say "You people from Quebec must vanish." Why should we? If we did, would Canada be a better country? Of course

not; it would have lost one of its necessary components. Indeed, let us take a look at our history. Some young professors who have not read our history, think that they have a monopoly of wisdom and that only those who think along the same lines as they do, are right. Yet, when our enemies succeeded in bringing their army to the foot of Cape Diamond, in Quebec City, when the newcomers who knew nothing of our history and who had no roots in this country were taken with fear, the Governor of the time, who came from England, issued a proclamation in which he said: "If you do not wish to defend your new country, at least try not to be a nuisance, go and take shelter on the island of Orleans". That is a historical fact. Monsignor Plessis, who was then bishop of Quebec City, issued another proclamation in which he thus enjoined all French Canadians: "You must defend your country so that it may remain a possession of the country to which you have sworn allegiance and loyalty." Canada was saved for England on that occasion. At Châteauguay, who again saved the country from the invaders if not our compatriots? If the province of Quebec had not existed at the time and did not continue to exist now, Canada would not be what it is now and what it will be tomorrow.

Let the fanatics shout and rant, that is their business; but let all people of good will act in such a way as to silence those destructive outcries!

From now until 1967 let all men of good will strive together toward this unity, this spirit of co-operation and harmony. Then, when the Centenary of Confederation arrives, we can all sing from the bottom of our hearts: "O Canada, my country which I love!"

Hon. Senators: Hear! Hear!

Hon. Mr. Vaillancourt: That is my fondest hope: harmony, not only in words, but in deeds. Let us at all times speak and act in that spirit. Let us realize that our neighbour is as good as we are and that we, likewise, are his equal. Let us use all the media at our disposal, television, radio, press, to promote such co-operation. All my life I have preached co-operation, it has been my whole endeavour; I have found that it is the only way of doing anything durable, constructive, because co-operation unites all men of good will instead of pitting them one against the other.

I say we must develop Canada further, working in this spirit of co-operation, of solidarity; that would be infinitely more valuable than all the monuments that could be erected, but which would remain lifeless.

For the Centenary of the Canadian Confederation, let us erect a monument with the will, heart and aspirations of each one of us, so that Canada may become a magnificent temple of peace, harmony and concord.

(Text):

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

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, May 26, 1960

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

Prayers.

CANADA-UNITED STATES INTER-PARLIAMENTARY GROUP

REPORT OF MEETINGS

The Hon. the Speaker: Honourable senators, I am pleased to table the report of the second and third meetings of the Canada-United States Interparliamentary Group.

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald), that the report of the second and third meetings of the Canada-United States Interparliamentary Group, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of report see appendix "A" to today's Hansard, *pp. 695 to 702.*

Hon. Thomas Reid: Honourable senators, is it permissible to ask a question regarding the meetings held in Washington by the Canadian-United States Interparliamentary Group? My question, which is addressed to whoever can answer it, is whether when the Canadian delegation was in Washington there was any discussion regarding the Columbia River. If so, I would like to know what information was obtained. It was mentioned in the previous report that the Columbia River was one of the subjects discussed. That is of particular interest to the people of British Columbia—it is a very hot issue, I might say—and I want to know if it was discussed with the senators of the United States.

Hon. Mr. Aseltine: I was not a member of the delegation. I understand that there is a senator present who was a member, but whether he can answer the question or not I am unable to say.

Hon. Sydney J. Smith (Kamloops): Honourable senators, as a member of the subcommittee on Boundary Waters I can tell you that the matter of the Columbia River development was discussed. I would suggest that the honourable senator from New Westminster (Hon. Mr. Reid) review the report which has been tabled, and then if he has any questions I, for one, would be very glad to endeavour to answer them, as well as those of any other honourable senator.

Hon. Mr. Reid: Thank you.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled the following:

"Roads to Resources" agreement between the Government of Canada and the Government of the Province of Saskatchewan, dated March 11, 1960.

Ordinances of the Yukon Territory, passed by the Yukon Council, First Session, 1960.

General Order of the Supreme Court of Canada providing for amendments to the Rules of the Supreme Court, which shall come into force on July 2nd, 1960, pursuant to section 103 of the Supreme Court Act, being Chapter 259, R.S. 1952. (English and French texts).

MANPOWER AND EMPLOYMENT

REPORT OF COMMITTEE

Hon. Donald Smith (Queens-Shelburne), for Hon. Léon Méthot, Chairman of the Special Committee of the Senate appointed to study and report upon the trends in manpower requirements and utilization in Canada, presented the first report of the committee.

Report read by the Clerk Assistant:

Your committee recommend:

1. That their quorum be reduced to nine members.
2. That they be authorized to print 1,500 copies in English and 400 copies in French of their day-to-day proceedings.

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

Hon. Mr. Smith (Queens-Shelburne): With leave, I move that the report be adopted now.

Report adopted.

PRIVATE BILL

ALLSTATE INSURANCE COMPANY OF CANADA —REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-29, to incorporate Allstate Insurance Company of Canada, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Hugessen moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Hon. Mr. Dupuis: May I ask the honourable senator if, when he said the next sitting, he meant Tuesday next?

Hon. Mr. Hugessen: That was the intention. I understood that the honourable senator from Waterloo (Hon. Mr. Euler) had some words to say on the third reading, and I believed that the Senate was going to adjourn this afternoon until Tuesday evening next. Perhaps, if it is agreeable to all honourable senators, it would be better if I were to withdraw my motion. I now move that the bill be placed on the Orders of the Day for third reading on Tuesday next.

Motion agreed to.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 434 to 448, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, May 31, 1960 at 8 o'clock in the evening.

Motion agreed to.

Motion rescinded. See p. 689.

STANDING COMMITTEES

SUBJECT-MATTERS REFERRED FOR REPORT IN LAST TEN YEARS

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

What subject-matters other than bills have been referred to the Standing Committees of the Senate for report during each one of the last ten years?

Hon. W. M. Aseltine: Honourable senators, I present herewith the answer to this inquiry.

For text of answer, see appendix "B" to today's Hansard, *pp. 703-7.*

BUSINESS OF THE SENATE

On the Orders of the Day:

Hon. Thomas Vien: Honourable senators, as I must leave in a hurry this afternoon, I would crave the indulgence of the Senate to agree that, when the Orders of the Day are called, order No. 6 be called first and considered. That is the order for resuming the debate on the proposed amendment to the bill respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

Hon. Mr. Aseltine: Agreed.

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY—PROPOSED AMENDMENT—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Vien to amend clause 6 of Bill S-24 respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

Hon. Lionel Choquette: Honourable senators, the honourable senator from Hastings-Frontenac (Hon. Mr. White), in whose name this order stands, is unavoidably absent this afternoon and has asked me to advise the Senate that he does not intend to speak on this bill. The sponsor of the bill (Hon. Mr. Brunt), who also is unavoidably absent, has requested me to advise the Senate that he has no objection to the proposed amendment.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Vien, seconded by the Honourable Senator Lambert, that clause 6 of the Bill S-24, intituled an Act respecting Wabush Lake Railway Company Limited and Arnaud Railway Company, be amended by adding at the end thereof the following:

, the Railway Act and any other act notwithstanding.

Is it your pleasure to adopt this motion?

Hon. Arthur W. Roebuck: Honourable senators, may I have the indulgence of the house for a moment? The first suggestion made by the honourable senator who has moved this amendment (Hon. Mr. Vien) was that we refer the bill back to the committee for further study, and to that suggestion I expressed agreement. I have no reason at all for objecting to a further study of the bill, but I do have serious objection to an amendment of this kind being snapped through this house without our knowing just what the amendment would involve.

It is perfectly obvious to me that there are conflicting interests involved, of which I know nothing. I know that railroad situation. I was a member of a conciliation board that reported on the agreement under which the staff is now working. So I am fairly familiar with the circumstances, but I have no knowledge whatsoever as to what contracts are involved on which we seem to be deciding in some respects between the parties. I think it would be altogether wrong if, without a further study by the committee, we should pass this amendment at this time. There are, obviously, contesting parties, and there are contractual rights of some kind involved, of which I know nothing, and I think most of my fellow senators are in much the same position.

I am ready to agree that this bill be referred back to the committee for further study. I certainly would not vote for this amendment, with the knowledge that we have of it at the moment.

Hon. Mr. Macdonald: Why not adjourn the debate?

Hon. Mr. Roebuck: Why adjourn the debate? Why not send the bill back for further consideration?

Hon. Mr. Macdonald: The sponsor of the bill is not present.

Hon. Mr. Roebuck: All right, then, let us adjourn the debate. I will move adjournment of the debate until the sponsor is here and can state some reason why we should not refer it back for further study or perhaps give us some explanation that will remove the doubts that are now in my mind.

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

EXPORT AND IMPORT PERMITS BILL

THIRD READING

Hon. Lionel Choquette, for Hon. Léon Méthot, moved the third reading of Bill C-4, to amend the Export and Import Permits Act.

Motion agreed to and bill read third time and passed.

PRIVATE BILL

WESTERN SURETY COMPANY—THIRD READING

Hon. John G. Higgins, for Hon. John Hnatyshyn, moved the third reading of Bill S-30, to incorporate Western Surety Company.

Motion agreed to and bill read third time and passed.

FEDERAL-PROVINCIAL TAX-SHARING ARRANGEMENTS BILL

THIRD READING

Hon. Lionel Choquette moved the third reading of Bill C-56, to amend the Federal-Provincial Tax-Sharing Arrangements Act.

He said: Honourable senators, with the permission of the house may I be allowed to place on *Hansard* a table showing a comparison of grants of $1.50 *per capita* with yield of 1 per cent corporation income tax for the fiscal year 1960-61? This table was requested by several members of the committee to which the bill was referred, and an undertaking was given that it would be placed on *Hansard*.

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Choquette: Thank you.

See page 679 for table.

Hon. L. M. Gouin: Honourable senators, I would like to say a few words on the third reading of this bill.

Since 1919 I have had the privilege of being a university professor, and thus I have personal knowledge of the urgent need for funds which has been felt by all our universities during that time. All persons who are aware of those difficulties have been trying to settle this problem. The present bill offers what I consider to be a temporary solution, by way of a reasonable compromise.

I do not rise for the purpose of criticizing any government or individual, but as a citizen of the province of Quebec I consider it my duty to state my views on the matter as briefly as possible, with frankness and also with moderation.

First, I wish to say a few words about the constitutional aspects of the question. We all know that section 93 of the British North America Act gives exclusive jurisdiction to the provincial Legislatures to make laws in relation to education. I do not have to discuss here the provisions which in certain cases entitle the federal authorities to adopt some remedial enactments. The Canadian Parliament is made, so to speak, the protector of religious minorities in educational matters.

We also know that the introductory clause to section 91 of the B.N.A. Act gives jurisdiction to the Canadian Parliament to make laws for the

> ... Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces ...

I admit at once that education is precisely a matter assigned to the provincial Legislatures with the special provisions which I have just mentioned.

I come now to paragraph 3 of section 91, which says that ...

> The raising of Money by any Mode or System of Taxation

... is explicitly within the jurisdiction of this Parliament.

The question which I have often put to myself is the following: Does the granting of money for the support of universities throughout the country constitute a law in relation to education? The Batonnier of the bar of my province, the honourable senator from Inkerman (Hon. Mr. Hugessen), expressed a contrary view when speaking in the debate on this bill on May 19. The question is really this: Is the federal Parliament limited to the appropriation of money only for the purposes over which it has exclusive control? I am of opinion that in themselves federal grants are valid when no strings are unduly attached. Nobody has contested the validity of the

GRANTS TO UNIVERSITIES

Comparison of Grants of $1.50 per Capita with Yield of a 1% Corporation Income Tax for Fiscal Year 1960-61

——	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.	Total
	$	$	$	$	$	$	$	$	$	$	$
1. Population 1959 D.B.S. estimate.....	449,000	102,000	716,000	590,000	4,999,000	5,952,000	885,000	902,000	1,243,000	1,570,000	17,408,000
2. Amount available to institutions of higher learning in each province (provincial population × $1.50).....	673,500	153,000	1,074,000	885,000	7,498,500	8,928,000	1,327,500	1,353,000	1,864,500	2,355,000	26,112,000
3. One-ninth of standard corporation income tax based on the first estimate of standard taxes, equalization and stabilization for fiscal year 1960-61 d. Jan. 8, 1960.....	354,000	55,000	729,000	517,000	9,849,000	15,706,000	1,380,000	1,020,000	2,554,000	3,416,000	35,580,000
4. One-ninth of standard corporation income tax (=1% corporation taxable income) equivalent per capita to.....	.79	.54	1.02	.88	1.97	2.64	1.56	1.13	2.05	2.18	
5. Amount by which the federal government would have to augment the 1% corporation income tax abatement.....	319,500	98,000	345,000	368,000	—	—	—	333,000	—	—	1,463,500
6. Amount of the 1% corporation income tax abatement which the federal government would have to recover.....	—	—	—	—	2,350,500	6,778,000	52,500	—	689,500	1,061,000	10,931,500

grants which have existed for many years in favour of vocational training in technical schools, and for promoting, building and improving of hospitals.

However, section 92, paragraph 7, of the British North America Act gives exclusive jurisdiction to the provincial legislatures concerning that matter. That paragraph reads:

> The Establishment, Maintenance, and Management of Hospitals, Asylums, Charities, and Eleemosynary Institutions in and for the Province, other than Marine Hospitals.

Personally, I would define jurisdiction in relation to education or laws on education as any act which provides for a certain course of studies, which sets down the conditions of admission to a university, fixes the number of years to be spent there before undergoing certain final examinations, the questions to be put to the candidates, the correction of their papers and so on.

Of course, if each province were in a position to levy the taxes necessary for its own education requirements, matters would be much simpler, and I say at once that I would feel much happier. But such is not the case. The provinces of Quebec and Ontario, for instance, would be able, if they had certain fields of taxation left vacant to them, to provide for their universities and other institutions of learning. But it would be a different matter for certain other provinces, which I would not like to call the poorer provinces, because if their natural resources are not as great as those of the two central provinces to which I have referred, or if they are not as highly industrialized, it does not mean in any way that intellectually speaking the population of those provinces is inferior to anybody—quite the contrary. I believe we all agree that it is highly desirable that all Canadians should have a certain minimum standard of living, including what I would call education costs.

In 1951-52 I voted for the system which was then inaugurated as a practical necessity. I was satisfied that the act then adopted was *intra vires*. The opinion of some people differs from mine, but only the courts can settle the discussion.

I do not intend to prolong my remarks on that subject, but I want to say that during the first year, through what I would call the good offices of well-meaning citizens, the Quebec Government accepted the federal grants, but during the next four years it refused to do so and it prevented our universities from accepting those grants and even larger amounts which would have been given to our institutions of higher learning simply lapsed. The Government denounced such grants as encroaching upon provincial rights in the matter of education, and the universities had to choose between the federal grants and the provincial subsidies. If they accepted the federal grants they would not receive the provincial subsidies.

In 1956, I think, a new system was introduced. The grants became payable, not to the universities but to the Canadian Universities Foundation. The grants had been raised, by the way, from 50 cents to $1 *per capita* and later to $1.50 *per capita* of the popuation of each province. They were then distributed between the universities and between our classical colleges for the last four years, which length of time corresponds to the duration of the arts course, and they were distributed in proportion to the number of students at each one of those institutions. However, the system introduced by Mr. St. Laurent was much fairer than what had existed during the four previous years, because the funds which were not accepted by the Quebec universities were accumulating in trust, and sooner or later we were convinced that a solution would be found which would enable our universities to receive those very large amounts of money without which they could barely survive.

The Quebec Government maintained its opposition to the new plan during the remainder of the Liberal régime, and also during the first two years of the Conservative administration, and now, at last, we are called upon to vote for a scheme acceptable to our provincial authorities.

From a constitutional point of view, honourable senators, what legal distinction can we draw between the provisions of the present bill and the provisions of the previous acts? There are differences, I know, but do they settle in any better way the constitutional problem which I have been trying to outline before you as fairly as possible?

The first point to be considered is that Quebec will collect a one per cent tax on its corporations and pay it to its universities. I must remark at once that Quebec, or any other province, does not, under the terms of the British North America Act, require any authorization from this Parliament to collect, for such a purpose, a tax on a corporation. Section 92 (2) of our Constitution gives exclusive jurisdiction to the provincial Legislatures to make laws in the matter of direct taxation within the respective provinces for the raising of revenue for provincial purposes. The intervention of the federal authorities in this case is required only from what I would call a fiscal point of view. It is not made necessary under any section of our Constitution. The advantage granted by Ottawa—and I admit quite willingly it is an important advantage—consists in the fact that the one per cent will be deductible from federal taxes. I might say that since the First

World War such taxes have become sky high, and the taxing field left free to our provinces has become, so to speak, narrower and narrower all the time. I need not repeat that even under the present circumstances it might be possible for some provinces to provide for their universities, but for some other provinces that would be impossible, so we must find what I would call an all-Canadian solution applicable from coast to coast.

My second point is that the present bill provides that Quebec, or any other province availing itself of this new act, will distribute the grants on the basis of $1.50 *per capita* to each college or university. There is no change, honourable senators, in what I would call the principle of the *per capita* federal rule already in force. Each university and college will receive its proportion of the amount represented by $1.50 *per capita* of the population of the whole province. The difference introduced by the new legislation is that the distribution is to be made by the provincial authorities. I have no objection whatever to this, but I ask myself: Is the sovereignty of the province in the matter of education better recognized now than before? The federal authorities provide for this deduction of one per cent of the corporation taxes levied by the provinces, but if the amount is less than $1.50 *per capita* of the provincial population section 9A, subsection 3(a), provides that the minister may pay the difference to the province. In such a case we have again a federal grant, and I do not believe that it is more constitutional or less constitutional than the federal grants were before.

My last point is that if the one per cent collected by the province exceeds the $1.50 *per capita* the excess may be deducted by the federal authorities from any payment to the province under this act, or otherwise recovered as a debt due to Canada. From the table which the sponsor of this bill (Hon. Mr. Choquette) placed before this house a few minutes ago we see that the refund which would have to be made by Quebec in such a case would be $2,350,500. I cannot agree with this feature. The province has exclusive jurisdiction in the matter of education. It also has full jurisdiction to levy direct tax on its corporations and because Ottawa grants a deduction of one per cent the province becomes obliged to pay to Ottawa any surplus fund which constitutionally belongs *in toto* to the province. Why should Quebec be obliged, so to speak, to make such a grant to Ottawa? From a constitutional point of view I certainly think this point is open to doubt.

I come now to the results achieved to date. Yesterday we were told in committee that the funds accumulated in the hands of the Canadian Universities Foundation, amounting to about $25 million, have been paid to Quebec universities, which in turn have handed them over to the educational fund of the Government of Quebec. Grants will now be made by our provincial authority. Whatever may be the merits of this transaction, it solves the problem of the accumulated funds. I rejoice that a solution has been found, even though it may present complications and even though it is not as logical as I would wish it to be.

I deplore, however, that for the four years of darkness, so to speak, which I have referred to, the sum of approximately $8 million was lost by the province of Quebec even though our taxpayers shouldered their full share of taxation for grants paid to universities of other provinces.

In my opinion all settlements made either by the present administration or by the former administration have only been temporary compromises. I said ten years ago, and I repeat it now, that sooner or later the federal and provincial authorities will have to reconfederate to some extent and agree upon leaving to the provinces a sufficient field of taxation so that they themselves may be able to levy taxes which they need for provincial purposes and, in particular, for education.

Education is a subject to which we attach the greatest importance in Quebec. We consider it as being absolutely essential to our survival. I have no inferiority complex and I trust that the present bill will enable us to have what I would call a temporary settlement, but sooner or later a definite solution will have to be found for the greatest advantage of our country at large and of my province in particular.

Hon. A. K. Hugessen: Honourable senators, I expressed my views on this measure on second reading and I rather hesitate about inflicting anything further upon the house this afternoon. I just want to say, however, how very strongly I agree with everything that has just been said by the honourable senator from De Salaberry (Hon. Mr. Gouin). But the real reason I have risen this afternoon is to refer to something I said upon second reading in opposition to the suggestion which had been made that each province should be left to levy its own taxes for the support of its universities.

Perhaps those honourable senators who heard my comments on second reading will recall that I said this suggestion, owing to extreme divergence in the taxing capacities of the various provinces, would result in some provinces being able to raise all the money they wanted for universities and in

other provinces not being able to do so, and that we might find ourselves in the position where we would have some rich provinces with first-class universities and some poor provinces with second-class universities.

In support of the statement I made on that occasion may I refer the house to the very striking table which the honourable gentleman from Ottawa East (Hon. Mr. Choquette) placed on *Hansard* just this afternoon. This table estimates the one per cent corporation tax which each province could levy under this bill for the support of its universities. I refer to paragraph 4 of this table, which shows what a one per cent corporation tax means in terms of the population of each province. It is really very striking. In the provinces of Newfoundland, Prince Edward Island, Nova Scotia, New Brunswick and Saskatchewan it means, respectively, 79 cents, 54 cents, $1.02, 88 cents and $1.13 per inhabitant. The other end of the scale shows what the tax means in the rich provinces. In Ontario, British Columbia, Alberta and Quebec it means, respectively, $2.64, $2.18, $2.05 and $1.97 per inhabitant.

So we see the extraordinary variation between the provinces as to the amounts they are able to raise by corporation taxes. I think that is rather a strong reinforcement of the view I expressed on the second reading of this bill, that it is necessary for the dominion, by some sort of system of equalization of grants covering all provinces, to act as a balance wheel and level out the extreme difference we find between the taxing capacities of the various provinces so that, as my honourable friend who spoke so well a few minutes ago said, we can at least have a basic minimum standard of university education throughout the country.

Hon. W. Ross Macdonald: Honourable senators, I think you will all agree that we have had a very fine debate on this subject. It has been a frank discussion, and what has impressed me most has been the fact that those who have participated in it have been pretty generally in accord. The arguments put forth have not been opposed to each other to any great extent. I believe I am safe in saying that everyone who has spoken has been in favour of the passing of this bill.

The province of Quebec will now be receiving grants for educational purposes in its universities on the same basis that grants are being paid to universities in other parts of Canada, and I think we are all very happy and relieved that that has been accomplished.

Honourable senators will remember that when this legislation was first introduced in the House of Commons representations had been made to the Government prior to 1950 by the universities across Canada, including the universities in Quebec, for dominion grants. In 1950 the Massey Commission, brought in a recommendation that the grants should be made to universities across the dominion by the federal Government. In 1951 the Government, under the leadership of the Right Honourable Louis St. Laurent, brought in a provision whereby 50 cents per head would be paid to the provinces to assist in education in universities. Honourable senators will recall that that was done by an item in the estimates. In 1951-52 all the provinces, including Quebec, accepted that grant. I think it came as quite a surprise in the following year, 1952-53, when the province of Quebec did not accept the grant. Of course, at the end of the fiscal year the grant lapsed, for, as honourable senators know, any amount that is put in the estimates which is not paid during the fiscal year lapses. The same thing occurred the following year, and the following year also.

Well, the Government of the day thought it was unfortunate that the province of Quebec was not taking advantage of this money which had been set aside each year for these universities. Honourable senators will recall that at about that time the Canada Council was set up and Parliament voted it some $50 million to be used for erection of buildings by the universities throughout Canada. I do not know what provinces have taken advantage of that, or whether any of the universities in Quebec have taken advantage of it or not. In any event, the Government of the day set up $50 million, and the Right Honourable Louis St. Laurent, Prime Minister at that time, took a great interest in that feature of the administration of the dominion Government. I hope this bill will go to a committee so that we may obtain more information as to the distribution of this money in the various provinces.

Probably I am getting a little confused at the moment in mentioning the amount voted for the Canada Council. When the annual report of the Canada Council is being considered by the Committee on Finance we can then procure information as to the distribution of the $50 million. Still, I feel there is certain information which we might have received, but did not receive, when the Banking and Commerce Committee met the other day on this bill, as to what universities have received sums of money and how much each university has received. Probably we can get that another year. However, I come to the year 1956, when it was felt that a grant of 50 cents per head of the population to each province was not sufficient. I know that at that time the Right Honourable Louis St. Laurent, was still quite disturbed over the fact that Quebec was

not receiving its share of this money, and I think all of us in Parliament were disturbed. So at that time Parliament, under the leadership of Mr. St. Laurent, provided that, if a province did not accept the money which was transferred over to the Canadian Universities Foundation, the amount of money set aside for that province would not be paid back to the Government at the end of each year but would be retained by the Canadian Universities Foundation.

Hon. Mr. Euler: That was after 1956?

Hon. Mr. Macdonald: That was after 1956. At the meeting of the committee the other day I asked the gentleman who was explaining the details of the bill what had happened to that money which Quebec had not used. He informed us that it had been invested and that the interest received from the investment had been retained, and that not only the share of the money which the Government gave to the Canadian Universities Foundation for Quebec, but also the accrued interest over the years, had been by this time paid to the universities of the province of Quebec. I hope, therefore, honourable senators, that we have come to the end of this dispute as to what universities should and what universities should not get assistance from the federal Government. The amount was increased to $1 per head by the former administration; it was increased by an additional 50 cents by the present administration. I think we can take credit from the fact that we have all done our best to advance the cause of education in the universities across Canada.

Hon. Arthur W. Roebuck: Honourable senators, I am very glad to join in this love fest, and I am glad that we are smoking the pipe of peace as between the province of Quebec and the other provinces.

I am sorry if I introduce a sour note at the end of this most delightful love fest which we have been enjoying, but I think it would be salutary if I say that on previous occasions, somewhat similar to this one, I expressed, as did others, the hope that the time will come when each province and the dominion raises the taxes necessary to discharge the obligations placed on the shoulders of each respective administration under the British North America Act.

My friend from De Salaberry (Hon. Mr. Gouin) says that, notwithstanding the beautiful splitting of hairs that we have had in connection with this bill, before very long there will have to be reconsiderations. Well, I can assure honourable senators that there will be reconsiderations on top of reconsiderations so long as we continue the cockeyed system of the dominion Parliament raising taxes for provincial expenditure. That is uneconomic and unsound; it is not wise in any way. It is too bad that when Canada was formed in 1867 the most unsalutary arrangement was made of the dominion raising taxes and paying them over to the provinces. It is not as though the dominion Government has a source of revenue not available to the provinces. We all raise the taxes from the same taxpayers. We may do it on different principles. The methods of the dominion Government may be better than those of the provinces. The provincial methods may be better than those of the dominion. However, the fact remains that all the money that either expends comes from the same general source, and it is not as though the universities were finding money because we undertook to pay part of their expenses. The burden is just as heavy on the taxpayer whether the provinces raise the money as it is when we do.

Now, in partial justification of this type of legislation, we always hear about equalization as between provinces—some provinces are wealthy, we are told, and some are poor. But there is no such element in this or other bills of a similar character, or practically none. I do not object at all to a grant by the dominion Government to a province that is poor and finds more difficulty in discharging its obligations than do more wealthy provinces. But we are not doing that at all: we give very large sums to all the provinces, money which is raised by the dominion and spent by the provinces.

So, pardon me, honourable senators, if I sound a rather sour note on this most delightful occasion, and if I express the hope that the time will come when we in the dominion Parliament will attend to our own business, raise our own taxes, discharge our own responsibilities and leave the provinces to do the same with their responsibilities.

Hon. Mr. Macdonald: May I be permitted, honourable senators, to ask the honourable sponsor of the bill (Hon. Mr. Choquette) if these tables which he has handed to me already appear in *Hansard*.

Hon. Mr. Choquette: No.

Hon. Mr. Macdonald: I asked the honourable gentleman for details of the amounts paid to different universities over the years, and he has handed me a series of tables. I think other senators might also be interested in them and I suggest they be printed as an appendix to *Hansard*.

Hon. Mr. Choquette: I was going to suggest that, but I wanted first to submit the tables to the honourable Leader of the Opposition (Hon. Mr. Macdonald).

Hon. Senators: Agreed.

For tables see Appendix "C" to today's Hansard, *pp. 708-11.*

Hon. G. Percival Burchill: Honourable senators, I rise to make just a simple observation to support what the honourable senator from Inkerman (Hon. Mr. Hugessen) said this afternoon in reference to the fact, which I think we must face, that our universities in Canada are no longer provincial universities but they are national universities, and that the burden on some of the poorer provinces of maintaining the standard of education which is being demanded today by university graduates is a very heavy one, and assistance must come from the federal authorities notwithstanding what my honourable friend has just said.

I was present last week at the graduation exercises of a class from the University of New Brunswick. Now, the University of New Brunswick has grown so rapidly in the last few years that it has the largest student personnel—I want honourable senators from Halifax to listen to this—the largest student personnel in the Atlantic provinces, even larger than that at the great Dalhousie University. But the burden of maintaining the university has become an increasingly difficult one for the little province of New Brunswick. Last year, in spite of quite generous grants from the provincial Government, an expenditure of nearly $3 million landed the university about $250,000 behind on its operations, and next year the projected budget will cause it to have an operating deficit of $350,000. In addition to that there are all sorts of new building projects which will have to be carried on, at a cost of millions and millions of dollars.

The present student enrolment of the university is, I think, 1,560. It is estimated—I believe this is true of all universities across Canada—that in ten years' time the present enrolment will be doubled, and one can see what facilities will be required in order to take care of future requirements. So I say it is absolutely necessary that we have some national scheme whereby these universities will receive support from our national Government.

Having said that, I want to add one word more. I am delighted that this matter of grants to the Quebec universities has been arranged and that everybody is happy. However, I cannot help asking this. If it was quite all right, if it was constitutional—if I may use that word—to pay over this $25 million which my honourable friend has referred to this afternoon, and which has already been paid, I understand, to Quebec universities, if it was constitutional to take that unrighteous money, then why is this legislation necessary? That is what I cannot get through my head.

Hon. T. A. Crerar: Honourable senators, it certainly was not my intention to speak on third reading of this bill, even if I had some reservations in my thinking about it. I find myself wholly in agreement with the views expressed by our colleague from Toronto-Trinity (Hon. Mr. Roebuck). I do not always agree with him, but on this occasion my thoughts march with his.

It may be well to look back for a short period of perhaps 25 years following the great depression, as it is now called. There were certain provinces which had suffered through the effects of that depression to a much greater degree than other provinces, and honourable senators will recall that the Government of that day set up what was known as the Rowell-Sirois royal commission. The report of that commission, I feel confident in saying, will rank in the future as one of the great state papers of Canada. The commission found, and stated in detail, the discrepancies in wealth as between different provinces, and it sought a solution, not by way of equalized hand-outs from Ottawa to all the provinces irrespective of their individual financial position, but along the lines of assisting what might be described as the poorer provinces.

I shall not sketch the history of the developments since that time, but after the war we did arrive ultimately at a position where fiscal arrangements were made with the provinces. It should be clearly kept in mind that the fiscal arrangements made with the provinces after the war did not implement the principles put forward in the Rowell-Sirois report. The basis of the Rowell-Sirois report was that the federal Government would assist the less rich provinces, but not the rich provinces. In our constitutional position nothing is more important than the understanding and working of the provincial jurisdiction *vis-à-vis* the federal jurisdiction. We are today getting these matters involved and mixed up in a way that may create trouble for us in the future.

Hon. Mr. Bouffard: It already has.

Hon. Mr. Crerar: Certainly the effect is already evident.

Every few years the provincial authorities meet the federal authorities in Ottawa, and they sit down to reconsider the fiscal arrangements. It then becomes a contest between the federal authority and the various provincial governments, because it goes without saying that they all want more money, and the federal treasury, conscious of the enormous burden it has to carry, and

disliking to consider the imposition of further taxation, endeavours to hold the provinces down. That, of course, is a wholly undesirable situation.

I said a moment ago that the principle of the Rowell-Sirois Commission report was not carried out, and it is not being carried out in this system of university grants. That principle was that the poorer provinces, those with lesser resources, would be assisted by the federal treasury, but it was not contemplated that that assistance would go to the central provinces, which of course are the wealthy provinces in Canada. That principle has been wholly violated. In order for the federal treasury to give grants to the needy provincial administrations, it had to apply the same formula to the richer provinces. That is done under this system of university grants.

I do think this is a question that sooner or later must receive very serious consideration from Parliament. I am not by any means confident that we have found the answer in the present procedure we follow. I merely mention this because of my very lively recollection of the events of twenty-five or so years ago when the Rowell-Sirois Commission was set up. At that time, as my colleagues in the house are aware, I was a member of the administration. It would be infinitely better if a way could be found to let the provinces find their own sources of revenue for the things they require to do. The federal Government has taken over in large measure the responsibility of the provinces. It has taken it over, for instance, in the field of unemployment, and in many other directions. This federal assumption of provincial responsibility is also a matter that needs some consideration. As I say, we have taken it over in the whole field of unemployment, and now we are going into the field of education. Where will it end?

In my view we should have left the responsibilities of the provinces where they were, and let the authorities at Ottawa give up some of their sources of revenue and earmark them for the provinces. That was a contention that was advanced in the abortive meeting of Ottawa with the provinces following the Rowell-Sirois Commission report, when some of the provinces urged that the federal Government get out of the income tax field altogether and leave that as a direct source of revenue for the provinces. I am not certain whether that is practicable or not, but I am certain that there is no matter to which the members of this house and of Parliament as a whole should devote more serious consideration than the problem of fiscal relations between the provinces and the federal Government.

Hon. Wishart McL. Robertson: Honourable senators, as a representative of one of the have-not provinces I have always had a great deal of sympathy with the viewpoint expressed by the province of Quebec in its jealous regard of its prerogatives in respect of education.

I am at the moment in agreement with the arguments advanced by the honourable senator from Inkerman (Hon. Mr. Hugessen) in respect of the situation as it now exists. Any other arrangement that I could think of would not possibly give equalization or anything approaching it. However, I must confess to a good deal of agreement with the views expressed by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Churchill (Hon. Mr. Crerar). For some reason or other this Government, like the Government that preceded it, seems to have an ununderstandable desire to collect even more taxes than are necessary for its own purposes. As the honourable senator from Toronto-Trinity said, the idea of one government collecting millions of dollars to hand over to other governments to spend is, to use the senator's expression, a cockeyed system. It is basically wrong. The problem has always been a difficult one, and the question now is what to do about it.

I suggest to honourable senators that not enough attention has been paid to the question of what to do about it. I doubt very much that in a country such as Canada the time will ever come when the ability of certain provinces to respond to taxation will be as great as that of other provinces. But I am convinced that there could be an arrangement which would give much more equality than exists at the present time. I would like to see Parliament and the Government address themselves to the matter of equality on the basis of earning power and the ability of provinces to respond to taxation. If we cannot entirely eliminate the necessity for federal assistance of areas which, for one reason or another beyond their control, are not able to respond to taxation as well as other areas, we could at least reduce the great disparity which now exists. As the honourable senator from Churchill has said, the present system of the federal Government meeting with the provincial Governments every two or three years and entering into a horse-trading deal is basically wrong. It is ultimately going to lead to—I was going to say "bankruptcy", but that is too strong a term—great financial difficulties for future administrations, because the inevitable thing under the present system is for the municipalities to turn to the provinces, and for the provinces to turn to the federal Government. At some time we have

got to get back as near as we possibly can to the idea of a particular government spending what it collects in taxation.

Hon. Mr. Roebuck: And assuming the responsibility for it.

Hon. Mr. Robertson: Sooner or later those in authority must turn their attention to that, and arrive at a solution.

Hon. Calvert C. Pratt: Honourable senators, I would like to say a word with respect to educational grants to the provinces. Talking specifically about the province of Newfoundland, we have there a university which has come along splendidly, and which is doing a remarkably good job. The enrolment is about 1,300, which is treble what it was a few years ago.

With its many other pressing needs, Newfoundland is unable without outside aid to raise the money to provide adequate university services for the province. Out there we are a great distance from other universities, which in most cases have applications beyond their capacity. It is difficult to get admittance into many of them. It is only by having a university in a centralized area which people can reach that they can have the opportunity of getting university education. The cost of obtaining an education is far greater for each individual student who has to travel a long distance to attend university than it is for the person who is able to attend a university in his own immediate neighbourhood.

It has been said that it is wrong to have federal grants for education distributed throughout the provinces. Also it has been said right here that the money for provincial needs generally should be raised by the provinces and not by the central Government. Honourable senators, I must say that I do not agree with that at all. If we discard the present system we shall have to make many changes in the whole economy of Canada, changes which will greatly affect all the provinces. Such changes would in course of time lead to one result, namely, that we would have ten countries in the area now called the Dominion of Canada. If we are going to substitute provincial taxation for federal taxation on corporations, personal incomes and so forth, then we have got to rewrite the whole economic situation of the dominion in every part.

Hon. Mr. Robertson: Why shouldn't we?

Hon. Mr. Pratt: Yes, why shouldn't we? Let us say, for example, to British Columbia: "We will take off all tariffs on merchandise and goods coming into Canada, and let British Columbia take all the goods it can get more cheaply from Japan, China, Hong Kong and elsewhere. Why take them from Quebec and Ontario?" When you say that you get right down to the fundamental feature whereby you are going to change the whole economy of Canada.

As far as Newfoundland is concerned—and I say this only by way of example, because it applies to the other provinces in varying degrees—we are entirely dependent upon export trade in our economy. Largely because of our geographical position we do not sell anything worth while to the other provinces. We purchase from the other provinces, primarily from the two central provinces. I am absolutely sure that we are spending in the other provinces up to $250 million a year, if not more, and we are not selling to the extent of 5 per cent of that amount to the other provinces.

That is an example of how earnings are brought into the federal Government by taxation in some provinces through trade with other provinces. We have throughout Canada public works expenditures and social service distribution which simply cannot be localized if stability in distribution is to be maintained. I repeat: the economic condition is that if we put the taxation on each province for these major requirements we shall break the country down into ten different countries and there will no longer be a Dominion of Canada with ten provinces.

Hon. John T. Haig: Honourable senators, may I say a word or two? I would like to separate the discussion of universities from the discussion about Canada and finances, because these two subjects do not go together at all.

The universities are in a different category from that of other institutions which require financing in Canada. Our young men and women are as ambitious as those of any other country in the world. I have been connected with a branch of the University of Manitoba, in my home city, for some 37 years, and I know what has happened in it. I know what has happened because I have been chairman of its Board of Management for about 15 years. I know that if we cannot give the students the instruction they need, instruction by able men and women, they do not sit down on the street corner and cry; they just get on a train and go down to Ontario or Quebec and attend the University of Toronto or McGill University, and they say they will get jobs down there easier than at home.

When I was about 15 or 16 years of age my father took me into Brandon to see a very good lawyer, and he said to him: "This boy wants to be a lawyer". The lawyer said to my father: "Send him to the university and

give him a chance in life. Don't put him in my office, where he will stay for five years, after which time he will be only a law student and nothing else". My father asked where the university was, and the lawyer stated it was in Winnipeg. My father then said: "I haven't got the money. What am I going to do?" The other man replied: "Joe, send him to Winnipeg. If he has any brains he will get along, and if he hasn't he won't get along anyway, so what's the difference?" Sometimes a boy comes into my office and says: "Mr. Haig, I want to find out about college. I know you are one of the officers up there. Can you give me a course on this and that?" I have to say, "No, we have no experts in that department. You will have to go to the university and register there, because that part of the training is given by the university alone." Others want a different course, and I send them to McGill; others I send to Toronto, and others to British Columbia—these perhaps on account of the health of their parents. This is personal, but it is what happens in life. So, there is a difference between government money spent in the management of the country and that spent in the maintenance of universities.

Once or twice in this house I have heard speeches that have disturbed me about what is needed to be spent on the universities. I want all our boys and girls in Canada to be given equal opportunities for education. We are one nation and one people and we can only be united if we are educated on the same basis so that we understand each other. It is fundamental. I speak with great reverence about education. Those of us who learned our A B C's in Manitoba schools and obtained our higher education in Manitoba have always had a good word to say about the schools from which we graduated. There are always great professors, men who can really teach. The great man at my university was Kilpatrick. There were fifteen in my graduating class and the principles of life taught to us by Kilpatrick have stayed with us all through life.

I have no quarrel with the province of Quebec nor with any other province, but education is a subject which has disturbed many a country. Canada has pretty well solved its problems in this regard and when this legislation goes through and all universities are put on the same basis, I am sure the universities in Quebec will find a happiness in their educational life that they have not known for many years. You have only to read the daily newspapers to learn that the funds which have already been advanced to Quebec universities have made for a better spirit in those institutions of learning.

As to the federal Government cutting down expenses, I agree with the ideas expressed by the honourable senator from Shelburne (Hon. Mr. Robertson) and the honourable senator from Churchill (Hon. Mr. Crerar), but I want to emphasize most emphatically that as far as nationhood is concerned we are living in the most desperate times in the history of mankind. You only had to listen to a speech made over the air last night to be proud you were born on the continent of North America and that we have a man who would get up and say what he did to the world. World affairs are in a desperate state and we in Canada have got to stick together.

I have to give the late Right Honourable Mackenzie King credit for certain things. He has been given a lot of knocks and he has not always been given the credit he deserves. At any rate, some of us were in Parliament at the time of the Rowell-Sirois Royal Commission and we know there was a desperate try by the Government of that day, under the same Mr. King, to adopt a method whereby each province would have a reasonable chance to share in the profits the central provinces were making from their business dealings with the rest of Canada. For instance, if a man out west or down east wanted to buy a Ford truck or a General Motors truck he had to get it from Ontario, where it was made; or if he wanted to buy some electrical equipment he would have to get it from Quebec, where it was made. Naturally, the province that is producing goods makes the profit on them.

But, honourable senators, I do not want to mix this aspect of our national economy with the problem of education. I agree with those who feel that education should be dealt with separate and apart. I think the best legislation ever enacted by the former administration was enacted under the Right Honourable Louis St. Laurent when it introduced the formula of 50 cents per head of population for university grants across the Dominion of Canada.

Let me tell you what we did with the grant made to United College, in Winnipeg, which had about thirty teachers and professors on its staff. We figured we would get approximately $54,000 but, as a matter of fact, we received $68,000. Anyway, the money came through in November and, while this may sound strange, the members of our board unanimously agreed to use the money to increase the salaries of the staff members.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Haig: The teachers were underpaid and we knew it. We didn't feel they could be expected to teach with a spirit of enthusiasm when they were having such a desperate struggle to exist on their earnings. Every member of the board realized this, so we used the money to increase the teachers' salaries. Incidentally, in January, just two months later, they came back to us with a request for more money, and we explained how we had used up the full grant to give them the increase they already had received. Two or three years later the grant was increased to $1 per head of population and now it stands at $1.50 per head, which is not a cent too much.

We are continually improving conditions for our teachers, and it is the students who ultimately reap the benefits. The money being expended by the federal Government on education is making better citizens out of our boys and girls, and I am all for that.

I am not going to become involved in any argument about the distribution of federal grants generally. The country will go on if we do not discuss that now, but I don't want anything to happen to the practice of making these grants to universities. I think it is a grand thing. I want to be united with the province of Quebec and I want to feel just as friendly toward the people of that province as I do toward the people of Manitoba; I want to feel just as friendly toward the people of Ontario as I feel toward the people of Saskatchewan, and I want to feel just as friendly toward the people of the Maritime provinces as I do toward the people of Alberta and British Columbia. I want to feel we are united as Canadians and that all our boys and girls are being given the same educational opportunities. Don't let us have a situation where one province does something the rest are not doing. The point I want to make is that it is not really money that is being given but opportunity for education, an opportunity that is being given to all our boys and girls so that they will become better Canadian citizens.

Hon. Jean-François Pouliot: Honourable senators, it is very unfortunate for anyone not to be able to share all the contradictory views expressed by various persons. In this case I wholeheartedly agree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), a former Attorney General of Ontario, who represented the Government of Ontario at the interprovincial conference of 1935; the honourable senator from Churchill (Hon. Mr. Crerar), who is a Privy Councillor and former cabinet minister, and the honourable senator from Shelburne (Hon. Mr. Robertson), also a Privy Councillor and former Liberal Leader of the Government in the Senate.

How many times have I repeated in the House of Commons and elsewhere, and especially in the press, that each Government should collect its own taxes? And it is the doctrine of the Fathers of Confederation that each Government should be self-supporting. This is why the word "exclusively" is so often repeated in our Constitution. I am quite familiar with the Rowell-Sirois Commission report and I studied it. I read the original summary of that 8 cubic feet enormity of printed matter. I know more about it because one day the manager of a Quebec daily asked me if he could get some contracts, and I told him, "See the minister—you may get the Rowell reports"; and he got them, not on my recommendation, but on my tip. Besides that, I telephoned one of the cabinet ministers that there would be a revolution among the Liberal members if So-and-so were not appointed secretary of the commission. He was appointed, and there was no revolution. I have known them well and have seen how they worked. I have the full pedigree of the late Newton Rowell, who was chairman of that commission. And once, shortly before the interprovincial conference of 1941, one of the colleagues of the late Mr. Godbout, who was then Premier of Quebec, came to me and made arrangements with the director of *L'Action Catholique*, a Quebec daily, to ask me to write three full-page articles in that paper to warn Mr. Godbout about the danger of that interprovincial conference. I did so, and the conference came to no conclusion; it was adjourned until later on. What happened was summarized by a former provincial treasurer of Quebec, a Liberal who was in the cabinet of Alexandre Taschereau, the Honourable Mr. Nicol. It was the late Honourable Senator Nicol who, on June 26, 1952, in this chamber, spoke thus:

> There was no agreement under the British North America Act to do what it is now proposed to do. The power that the federal Government is using to collect the money is borrowed. When you borrow a thing you generally return it. It was borrowed first by Borden, then by King, and it has never been returned. If you borrow a thing and keep it permanently it is not borrowing, it is stealing; and the right of taxation is being stolen from the provinces.

This language was used by the Honourable Mr. Nicol, a former colleague of ours, and a well known Liberal of the province of Quebec.

I have just one word to say in answer to what the honourable senator from St. John's West (Hon. Mr. Pratt) said about Canada being one country instead of ten. He was not the first one to say that. It was said in

1941, nineteen years ago, by a professor of Queen's University, over the radio. After his broadcast we were told that we could get a copy of his broadcast by writing to CBL Toronto. I wrote and I never got it. However, I heard him say the same thing, that Canada is not nine countries—at the time there were only nine provinces, and now there are ten—it was one large country. We may love our province, and we may love our country, just as we love our family and we love our neighbours, our municipal community. But what is important is to have a definite control of taxation, and it is absurd that all the money should be collected by the Government of Canada to be distributed as gifts to the various provinces. Very often the provinces enjoy it. They do not have the trouble of collecting the money. They are happier. They receive it from the Ottawa heaven, and they don't have to render any account about it. I was very particular about it yesterday at the Banking and Commerce committee when the bill was studied by our colleagues. We had a very good witness from the Department of Finance, and I asked him if any questions were put by the Government with regard to the expenditure of a university subsidy. He said, "No, it is distributed according to a certain ratio and no questions are asked." It is very, very easy to accept money under those circumstances, except when we take the trouble to read the Constitution to try to understand the intention of the lawmakers, of those who came together to build this country. They wanted every province to be independent, not to be the debtor of Ottawa.

Now, I am not opposed to this bill, because it is a step in the right direction. I am all for it, but the step is not long. It must necessarily be longer, and time will tell. The people will realize what it is, and they will realize what it is inasmuch as they have a sound teaching in the universities. Here we take for granted that all the teachings of the universities are above reproach. There are many things that are missing, and I do not think that the Government at Ottawa would interfere in the program; but every citizen who is the father of a family, whether he sits in the Parliament of Canada or outside of it, in the Legislatures or anywhere else, has the right to express his opinion about the teaching of sciences and arts in universities. And let us hope that there will be some improvement.

Now I come to my last point. When a thing is stolen from anyone and it is given back, it is not a gift, but a restitution, and the restitution should be unconditional. Therefore I hope that sooner or later the day will come when there will be nothing attached to such distribution of money, and the provinces will be free to collect their own taxes to meet all their needs. And it is my hope that we may convince those who do not think like us. It may take long, but they are open-minded and I do not despair for the future.

Hon. Gustave Monette: Honourable senators—

Hon. Mr. Aseltine: Honourable senators, I beg the pardon of the honourable senator from Mille Isles (Hon. Mr. Monette). I wonder if I may interrupt for a moment. I have a very important announcement to make. A short while ago this afternoon Mr. Gordon Fraser, member of Parliament for Peterborough, passed away very suddenly, and the House of Commons has adjourned for the day. That means we cannot possibly have royal assent this afternoon. I left the Senate chamber after speaking to His Honour the Speaker and the honourable Leader of the Opposition (Hon. Mr. Macdonald) and I find it is absolutely necessary that we have royal assent some time tomorrow. On that account I am forced to ask the Senate to allow me to revert to motions, so that I may move to rescind the motion I made early this afternoon, that when we adjourn today we stand adjourned until Tuesday evening next at 8 o'clock. With leave, I now move to rescind that motion.

Motion agreed to.

Hon. Mr. Aseltine: Honourable senators, now that the motion has been carried I would suggest that senators who have already gone home be notified, or at any rate those who are within reasonable distance of Ottawa.

Hon. Gustave Monette: Honourable senators, I do not feel secure in my position this afternoon. I intended to make some remarks on the bill under discusion but I was detained in the Supreme Court of Canada the whole of this week and could not prepare proper notes to present to this honourable house on such a very important matter.

I do not know if it would be in order for me to move adjournment of the debate until next week.

Hon. Mr. Macdonald: You could adjourn it until tomorrow and we could get royal assent to this bill then.

Hon. Mr. Monette: I would be willing to adjourn it until tomorrow, but in any event I would not be prepared by then, and in view of that I beg the indulgence of the Senate to excuse me if my expressions in English are not sufficiently fluent and correct to do honour to the position I hold here in common with all of us.

I am going to vote for the bill, but I would make these remarks first. Honourable senators who preceded me in the debate spoke eloquently and ably on this very difficult matter. I regard it as a difficult matter because of the fact that we are a nation in the form of a confederation. As was stated by the honourable senator from De la Durantaye (Hon. Mr. Pouliot), our country consists of ten provinces—provinces which are more or less of different origin, of different temperament, and maybe of different mentality, but there is good faith on all sides. The matter is difficult also because the Constitution itself is not to clear on the subject-matter of this debate; and it is difficult also because among those provinces, which are distinct units—not nations, but within the nation—the resources and facilities for higher education may not be equal.

I am willing to partake to some extent of the opinion advanced to the effect that each province should definitely exercise its power of taxation without having to receive grants for education from the federal authority, or without having to contribute from its own taxation revenues, when taxation is at the hands of the federal authority, to other provinces. There is something technical about that. I can hardly follow the idea too far because since we are one country, and the provinces are united with a view of making one country, we should do everything reasonably possible to enhance and develop the brotherhood among us and the feeling that we are all co-citizens of one country.

It is a fact that there are some provinces whose present means—these may be changed later on—do not correspond to the means for other provinces. I cannot say that I am opposed to a system by which the central authority would come to the rescue of some provinces in matters that appear so important.

Apart from that, there is the Constitution. The Fathers of Confederation did their best, and they did a good job, since they had to anticipate so much of the future, in expressing what would be the legislative powers and the administrative powers of the different units, of the different provinces. They did a wonderful job, so wonderful that in spite of the new developments in economics and politics over the years this Constitution still stands. This does not mean that it should not receive some further consideration from the central authority, which has jurisdiction over amendments to the constitution.

In that thought I do not refer to any particular arrangement under the Constitution, and especially I do not refer to education. I am not well informed as to what arrangement could be made for a revision of the present system. Perhaps a committee of the Senate, which is composed of older and wiser citizens, might be able to deal adequately with the problem. But I am not in possession of sufficient information to suggest an arrangement by which there could be a more equitable apportionment of the resources of this country to meet the needs of the provinces.

Honourable senators, I listened closely to the speeches made on this subject, and I am intensely moved by the sincerity of the opinions expressed with a view to finding a solution to the problem before us. The good faith of all honourable senators appears so clear that I feel that from this body of wise and honest men and women we might be given a satisfactory solution of the problem of providing a little more just and equitable treatment for the provinces.

Having said that, I now turn to express my views on the Constitution in its present form with respect to the problem before us. I shall not attempt to make an exhaustive survey of the Constitution. Some of my opinions may be wrong, but on a difficult subject on which the Supreme Court of Canada has divided many times, how can one be certain that he has the correct answer?

Section 91 of the British North America Act sets out the legislative powers of the federal authority. It states first in general terms that the Parliament of Canada may legislate for the good government of Canada, as a whole. Then the section lays down some 29 classes of subjects over which the central Parliament has exclusive jurisdiction.

Paragraph 3 of the enumeration reads:

> The raising of Money by any Mode or System of Taxation.

I cannot contend that those words do not mean what they say. Indeed, the federal authority has exclusive legislative jurisdiction for raising money by any mode or system of taxation. May I say, however, that this naturally involves indirect as well as direct modes of taxation.

On the other hand, section 92 of the B.N.A. Act, entitled "Exclusive Powers of Provincial Legislatures", commences with these words:

> In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—

Then follows the enumeration of 16 classes of subjects.

I have long held the view that the designation of jurisdiction to the provinces would be an exception to the jurisdiction of the federal Parliament, if in sections 91 and 92 there appeared the same or a similar class of subject-matters. However, I do not insist

on that view. Section 92 provides that the provinces have exclusive jurisdiction to legislate with respect to direct taxation within the provinces in order to raise revenue for provincial purposes. That is to say, when the revenue to be raised is to be directed for provincial purposes, the provinces have the exclusive right of legislating for the raising of that money by direct taxation, not by indirect taxation.

Under the general principle of interpretation, the more particular direction is an exception to the general provision. Under that principle, when a province proceeds to legislate for direct taxation for the purpose of raising revenue for a provincial purpose, it proceeds within its exclusive power. Such a power is an exception to the general power assigned to the federal authority by section 91 to raise money by any mode or system of taxation.

There are here two conditions: first, the province should proceed by direct taxation; and second, the money should be raised for provincial purposes. To do that would be not only within the provincial power, but clearly within the exclusive provincial power. Section 91 grants to the federal authority the general power to raise money by any mode or system of taxation. But the provinces when proceeding by direct taxation are within their exclusive right.

Then, it is not said for what purpose that federal taxation should be made. Therefore, it seems that the federal authority has the power to legislate for any kind of object by any mode whatsoever, save that exception in section 92.

Hon. Mr. Macdonald: The Government announced either today or yesterday that it was giving $10,000 to Chile. I suppose it would have the authority to give $10,000 to Chile under the section the honourable senator mentioned?

Hon. Mr. Monette: I do not deny that. I am not formulating a proposition; I am analysing at the moment.

Surely there is a contradiction between those two sections, unless we accept the rule that the more restricted power given to the provinces to tax by direct taxation should for the purposes of the province override the more general power in section 91. However, that is not so clearly the case, because the last paragraph of section 91 reads:

> And any Matter coming within any of the Classes of Subjects enumerated in this Section shall not be deemed to come within the Class of Matters of a local or private Nature comprised in the Enumeration of the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces.

So, there are two classes of enumerated powers—provincial and federal—and they are enumerated in exclusive terms, but it was in an attempt to reconcile them that that last paragraph of section 91 was added. Many have claimed that under that last paragraph of section 91 all the powers of the provinces coming in conflict with any of the powers enumerated in section 91 are overruled. Yet that last paragraph of section 91 says only:

> ...shall not be deemed to come within the Class of Matters of a local or private Nature... assigned exclusively to the Legislatures of the Provinces.

It is not all the matters assigned to the provinces, but only the matters of a local and private nature, assigned exclusively to the provinces, which cannot interfere with the enumerated matters in section 91 assigned exclusively to the federal authority. So, apart from the matters of a local and private nature mentioned in section 92, the other matters therein mentioned are exclusively within the jurisdiction of the provincial Governments, notwithstanding the last paragraph of section 91.

I want here only to indicate the great difficulty that exists under the Constitution with respect to the arrangement of those powers.

Section 93 says that the Legislatures of the provinces may exclusively make laws in relation to education. It has been said, and I agree, that matters of education are not restricted to teaching; the term extends to all of the needs of education, including buildings and other necessities, and here we include higher education as well as primary and secondary education. Here we are faced with these other exclusive powers which belong to the provinces. Perhaps the section was put there because the thinking and the background of the culture, or the cultural ambitions, of each of the components of Confederation at the time produced a variety of views. That may be the explanation of why power to legislate as to education was given exclusively to the provinces.

That is why I suggest, honourable senators, that the Senate, a body of which I have had the honour of being a member for three years, and where I have been impressed by the broadmindedness of all its members, might do well to appoint a committee to consider and review this question. Perhaps such a committee would make some recommendations with the thought in mind that it was surely the intention of the Fathers of Confederation to respect as much as possible the honest views of all the citizens of Canada. In that way we might find a solution to this problem.

I shall now say why I intend to vote for this bill. It offers a solution, though a temporary one, to the problem. Many solutions adopted during the war were temporary. During the war, when it was felt that this and other countries were in danger, some things which are very important in times of peace were not discussed. Under section 92 of the B.N.A. Act the provinces have always had the right to levy moneys by direct taxation, but they renounced that power to a considerable extent, as a temporary measure only, and transferred it to the federal authority. After the war it was discovered that the federal authority had become accustomed to receiving the proceeds from very high taxation, and, contrary to the expectation of many provinces, not only of Quebec, the federal authority did not abandon the amounts it was used to receiving from the high taxation imposed on the country during the war. There came a time when it was necessary to know whether the power surrendered by the provinces would be handed back to them. If I am wrong in this, I wish to be corrected.

That power was not handed back because, in a way, the federal authority could claim that under item 3 of section 91 it had the power to raise money by any mode of taxation, while the provinces had the exclusive power to levy money by direct taxation. However, the taxation field was not abandoned by the federal Government, but sometime later the Government of the day did make the arrangements that have been referred to by honourable senators who have spoken before me. In my opinion those arrangements were not fully satisfactory, in view of the understandings that had been reached during the war. The provinces found it too difficult and costly to the population to duplicate the collection of these taxes to which they had exclusive right. So the province of Quebec, as well as the other provinces, were faced with the situation of having to receive the grants or to refuse them. These grants were made with our own money. During the war we had abstained from exercising our full power of taxation, and now we could not resume this right because it would be too burdensome to duplicate the same tax. There were grounds for questioning the constitutionality of this procedure, and even those who justified the move have to admit it was debatable.

Now we have a new arrangement in the bill before the house. It is a great improvement over the previous arrangements, and I congratulate all honourable senators on this new desire for conciliation. However, the question is not finally settled. I for one would refrain from admitting directly or indirectly that this remedy is a final solution of the situation in relation to the spirit of our Constitution and the rights of the provinces. With that reservation I am going to vote for the bill.

Let me make it clear that if under the actual circumstances we are forced to accept a solution like this, it shall not be interpreted as an amendment to the Constitution, by way of precedent. We have a written Constitution, enacted by law, and that could not be amended by a mere remedial bill on a very particular and exceptional issue.

Motion agreed to and bill read third time and passed.

PRIVATE BILLS

WAWANESA MUTUAL LIFE INSURANCE COMPANY—SECOND READING

Hon. Olive L. Irvine moved the second reading of Bill S-33, to incorporate The Wawanesa Mutual Life Insurance Company.

She said: Honourable senators, it is my responsibility today to move the second reading of two private bills which are complementary to each other. I propose, therefore, in moving the second reading of Bill S-33, entitled An Act to incorporate The Wawanesa Mutual Life Insurance Company, to discuss the principle of that bill and also the principle of the complementary legislation, Bill S-34, entitled An Act respecting The Wawanesa Mutual Insurance Company. These bills cannot be dealt with intelligently unless they are dealt with together.

The Wawanesa Mutual Insurance Company was first incorporated under the Mutual Fire Insurance Act of the province of Manitoba in 1896. This was followed by incorporation under special act of the Parliament of Canada assented to on May 1, 1929. It has been in active operation for some 64 years.

Although the head office of the company is, and always has been, in the comparatively small town of Wawanesa, Manitoba, the company which writes fire and casualty insurance has been conspicuously successful and operates throughout Canada. It is one of the largest mutual fire insurance companies in Canada and, as at December 31, 1959, had admitted assets of nearly $30 million, a surplus of over $8 million, Government deposits of more than $12 million and insurance in force of more than $1,200 million.

The company has taken a leading part in many developments in the field of insurance. For some time the directors and officers of the company have been considering organizing a mutual life insurance company

with the object of utilizing further its extensive network of branches and agencies throughout Canada. The project was acted upon by the directors early this year. At the suggestion of the Department of Insurance, the principle was submitted to a special general meeting of the members, that is, the policyholders, of the parent company, since that company will provide, if these bills are passed, the guarantee fund for the new life company. The proposal was unanimously approved by the members at the meeting held on April 29 last. To give effect to this decision, the act incorporating the parent company requires amendment, giving specific authority for contributing the guarantee fund.

The bills have been under careful study and review by the Superintendent of Insurance and his officers. Should the Senate refer the bills to a standing committee, not only the Superintendent but the senior officers of the company will be available to supply further information that may be desired.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Irvine, bill referred to Standing Committee on Banking and Commerce.

WAWANESA MUTUAL INSURANCE COMPANY—SECOND READING

Hon. Mrs. Irvine moved the second reading of Bill S-34, to incorporate the Wawanesa Mutual Insurance Company.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Irvine, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

BILLS—SECOND READINGS

Hon. William H. Golding, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-375, for the relief of Norma Katherine MacDonald McLean.

Bill SD-376, for the relief of Diane Hawkins Edler.

Bill SD-377, for the relief of Marcel Pouliot.

Bill SD-378, for the relief of Gisele Raymond Vallee.

Bill SD-379, for the relief of Madeleine Arbour Gauvreau.

Bill SD-380, for the relief of Pierre Frederic Bruneau.

Bill SD-381, for the relief of Nancy Virginia Webster Canning.

Bill SD-382, for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.

Bill SD-383, for the relief of Jean Paul Alfred Lebel.

Bill SD-384, for the relief of Bernice Ellis Biltis.

Bill SD-385, for the relief of Evagelia Karidi Tsitsos.

Bill SD-386, for the relief of Barbara Raphael Salomon.

Bill SD-387, for the relief of Richard Denis Giblin.

Bill SD-388, for the relief of Fanny Hussey Baggs.

Bill SD-389, for the relief of Lambly Dorothy Audrey Hage Lambert.

Bill SD-390, for the relief of Paul Emile Raymond.

Bill SD-391, for the relief of Doris Mary Luxford Devenish.

Bill SD-392, for the relief of Beulah Benford Brown Lawrence.

Bill SD-393, for the relief of Kathleen Walsh Cohan.

Bill SD-394, for the relief of Francis Whiting Clark.

Bill SD-395, for the relief of Gustave Roy.

Bill SD-396, for the relief of Joan Shirley Davies Herscovitch.

Bill SD-397, for the relief of Eugena Grandmont Ladouceur.

Bill SD-398, for the relief of Ivy Helen Gentles Bell Pull.

Bill SD-399, for the relief of Herve Vaillancourt.

Bill SD-400, for the relief of Madeleine Hermine Kelen Endrenyi.

Bill SD-401, for the relief of Marie Jeannine Andree Boisclair Lafrance.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Golding moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, I thought I had everything arranged so that we could have royal assent tomorrow morning,

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or tomorrow at 12.45 p.m., and I was about to move that when the Senate adjourns it stand adjourned until 11 o'clock tomorrow morning. However, another message arrived a moment or two later stating that it was impossible for Government House to arrange matters at that time on account of the arrival of the King of Nepal, and I have been asked to hold the matter in abeyance for a short time in the hope that before 6 o'clock we shall be able to decide definitely whether to adjourn until 11 o'clock tomorrow morning or until 3 o'clock tomorrow afternoon. Therefore I move that we now adjourn during pleasure, to reassemble at the call of the bell in about fifteen minutes time.

The Senate adjourned during pleasure.

At 5.55 p.m. the sitting of the Senate was resumed.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX "A"

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

REPORT OF THE SECOND AND THIRD MEETINGS

The report of the first meeting of the Canada-United States Interparliamentary Group, which was an organizational meeting, held in Washington on January 9 and 10, 1959, will be found as an appendix to the Debates of the Senate for April 30, 1959, page 544 and as an appendix to the Debates of the House of Commons for May 1, 1959, at page 3272. Since then the Group has had two formal meetings, the first in June, 1959 in Montreal and Ottawa, and the second in April, 1960 in Washington.

The Canadian delegation now has pleasure in reporting on these last two meetings. As will be seen the business meetings of the Group consisted of plenary sessions and meetings in three subcommittees, one dealing with Defence, Defence Production and Disarmament; another with Trade and Economic Affairs and the third with Boundary Matters.

The Canadian delegates wish to record their appreciation of the cordiality of the reception given them by their colleagues of the United States Congress and the generous hospitality shown to the Canadian parliamentarians and their wives.

The Report of the Second Meeting of the Canada-United States Interparliamentary Group . . . Montreal-Ottawa

June 25-27, 1959

A full meeting of the Group was convened in Montreal on June 25, 1959, for which the following program has been prepared:

Thursday, June 25

12:00 Noon—Opening plenary session

3:00 p.m.—Simultaneous meetings of Committees as follows:

(a) Committee 1 (Defence and Defence Production)

(b) Committee 2 (Trade and Economic Affairs)

(c) Committee 3 (Boundary Waters)

7:30 p.m.—Formal dinner for delegates as guests of the Secretary of State for External Affairs and Mrs. Howard Green.

Friday, June 26

11:00 a.m.—Official opening ceremonies of St. Lawrence Seaway.

1:00 p.m.—Informal luncheon for delegates as guests of Senator George Aiken and Congressman Edna F. Kelly—joint Chairmen of the United States delegation.

3:30 p.m.—Simultaneous meetings of the 3 Committees.

8:00 p.m.—Buffet dinner as guests of the Prime Minister of Canada and Mrs. Diefenbaker.

Saturday, June 27

9-10 a.m.—Delegations leave Montreal by train for Ottawa.

12:30 p.m.—Luncheon for delegates as guests of the Speaker of the Senate and the Speaker of the House of Commons.

3:00 p.m.—Final plenary session for the presentation of reports.

5:00 p.m.—Joint Chairmen meet the press and distribute the Communiqué (Copy attached)

8:00 p.m.—Buffet dinner as guests of His Excellency, the Ambassador of the United States and Mrs. Richard B. Wigglesworth.

At the Plenary Session on June 25, the agenda and the allocation of participating legislators on the three committees were approved. The Committees were composed of the following legislators:

Committee 1—Defence and Defence Production

United States Delegation

Senator Theodore F. Green
Senator George D. Aiken (Associate Chairman)
Senator Dennis Chavez
Senator Francis Case
Rep. Edna F. Kelly (Associate Chairman)
Rep. Chester E. Morrow
Rep. Gerald R. Ford
Rep. Leonor R. Sullivan

Canadian Delegation

Hon. Mark R. Drouin (Chairman)
Senator F. Elsie Inman
Senator Gustave Monette
Miss Margaret Aitken
Mr. William Creaghan
Hon. P. T. Hellyer
Mr. Paul Martineau
Mr. G. Roberge

Committee 2—Trade and Economic Affairs

United States Delegation	*Canadian Delegation*
Senator Wayne Morse (Associate Chairman)	Hon. Roland Michener (Chairman)
Senator Frank Carlson	Senator Norman P. Lambert
Rep. Harold D. Cooley	Senator William R. Brunt
Rep. W. N. Aspinall	Mr. Hazen R. Argue
Rep. Frank Ikard	Mr. A. A. Macnaughton
Rep. Walter A. Judd (Associate Chairman)	Mr. G. R. Muir
Rep. Joseph W. Barr	Mr. A. R. Smith
Rep. Byron L. Johnson	Mr. R. D. Thrasher

Committee 3—Boundary Waters

United States Delegation	*Canadian Delegation*
Senator Hubert N. Humphrey (Associate Chairman)	Mr. Erik Nielsen (Chairman)
Senator Frank Church	Hon. Lionel Chevrier
Senator Edmund S. Muskie	Senator Sydney J. Smith
Senator Winston L. Prouty	Mr. R. A. Bell
Rep. Frank Coffin (Associate Chairman)	Mr. L. R. Crouse
Rep. Thaddeus J. Dulski	Mr. Egan Chambers
Rep. Sidney R. Yates	Mr. A. Denis
Rep. Russell V. Mack	Mr. H. C. McQuillan

The second plenary session, held in Ottawa on June 27, was convened in order to hear the reports that had been prepared by each of the committees. It was agreed that these reports should not be made public in the form presented but that their substance might be embodied in the reports which the delegations might wish to present to their respective legislative bodies. After hearing the reports the delegates made suggestions for suitable agenda topics for consideration at future meetings of the Group. Included amongst these suggestions were the following:

(1) Obstacles to International Trade.

(2) Problems of Agricultural Surpluses (especially wheat).

(3) The Tourist Trade and ways to increase it.

(4) The Canada-United States Air Agreement.

(5) United States Investments in Canada.

(6) Corridor through the Alaska Panhandle.

(7) Canada-United States Development of the Yukon River.

(8) The Alaska International Rail and Highway Commission.

It was generally agreed that the three committees on Defence, Trade and Economic Affairs and Boundary Waters should be retained for such future meetings.

Following are digests of the three reports:

Committee 1:—Defence and Defence Production

A broad measure of agreement was reached between the Canadian and United States delegations on basic defence policies and on measures for implementation. It was conceded, however, that because of the unique degree of interdependence between Canada and the United States in the defence field, there was a likelihood that bilateral problems not shared by other members of the free world alliance would arise and would require special solutions. The special nature of these defence relationships also led the delegations to conclude that there was a need for Canadian and United States legislators to exchange views regularly on problems of common concern in this field so as to be able to discharge more effectively their respective responsibilities relating to continental defence; the forum provided by the Interparliamentary Group was considered as eminently suited to accomplish this purpose.

The desirability of using Canadian engineering skills in industrial capacity in defence production to the greatest degree practicable was emphasized by the Canadian delegation. The suggestion was made that visits by the Interparliamentary Group to defence production facilities in Canada might be considered as a worthwhile project for the future. The Canadian delegation also emphasized that the plans for integrating the defence forces must be accompanied by a comparable sharing of the related industrial effort. While recognizing the validity of this

point, the United States delegation intimated that the implementation of such a policy must of necessity be subject to numerous practical considerations.

The Committee also considered matters relating to the storage of nuclear war-heads, the stationing of U.S. troops in Canada and the development of communications between Alaska and continental United States.

The Committee agreed that because of the special nature of the Canada-United States defence effort, the continuation of an Interparliamentary Group Committee to consider these matters was of the utmost importance and that at least some continuity of membership should, if at all possible, be preserved.

Committee 2:—Trade and Economic Affairs

Canadian-United States trade problems were considered against the background of Canada's current trade deficit with the United States, the offsetting inflow of capital, the pattern of United States Investment in Canada (largely in basic resource industries), Canada's high degree of dependence on foreign trade, and the economic implications of the concept of an integrated North American defence policy, all of which were considered as having a special bearing on internationally accepted trade rules and the General Agreement on Tariffs and Trade.

Oil

The Canadian delegation expressed satisfaction at the United States decision, announced on April 30, 1959, to exempt Canada from mandatory controls on the import of oil effective June 1, 1959. Concern was nonetheless felt by the Canadian group that the controls on Canadian oil imports might be reimposed; it was emphasized that in the interest of continental economic stability, Canadian crude must be free to move in the United States market wherever it is able to compete on the basis of price and other economic considerations. It was generally agreed that the oil problem should be considered on a continental basis.

Natural Gas

Administrative delays in processing applications were considered as worthy of special attention. A suggestion was made that, in promoting co-operation between the Federal Power Commission and the newly established National Energy Board, consideration be given to admitting as evidence before the FPC briefs already presented to and accepted by the NEB.

Uranium

Current over-production of uranium was recognized as a basic problem for this commodity. The importance of maintaining the productive capacity of economically efficient Canadian mines was particularly stressed and, in this connection, the Canadian delegation expressed the hope that the United States would continue to buy substantial quantities of Canadian uranium once the present long-term contracts had expired in 1962-63. The United States delegation offered the counter suggestion that a solution to this serious problem might be found in sealing down deliveries under present contracts so as to extend the productive life of existing mines. It was recognized that uranium marketing presented very serious problems.

Lead and Zinc

The difficulties facing the producers of lead and zinc in both Canada and the United States were discussed in considerable detail. The Canadian delegation represented that United States restrictions on the importation of lead and zinc were contrary to the obligations set down in GATT. On the United States side, the suggestion was made that an alternative method of dealing with this important sector of the economy might be a combination of production subsidies and a mandatory increase in tariff.

The Committee agreed that problems connected with the production and marketing of lead and zinc deserved to be considered on a continental basis and from a long-term point of view.

Copper

The Canadian delegation expressed concern at the possibility that United States import controls might be introduced and also that the copper market might be adversely affected by sales from the United States strategic stock piles. The United States delegation indicated that there was little likelihood that copper would be released from the strategic stock pile since there would be no substantial economic advantage to the United States in doing so.

Nickel, Iron Ore and Aluminum

Canadian members expressed concern at the effects on the nickel market of the entry into production of United States nickel mines in Cuba mentioning in particular the discrimination resulting from free entry of unrefined Cuban metal into the United States and the difficulty which this would present to the refined product processed in Canada which was subject to duty.

It was pointed out by the United States delegation that the opening of the St.

Lawrence Seaway would place Canadian iron ore in a favoured position in the U.S. market and that this would have beneficial effects on the development of industrial production on both sides of the border. It was recognized that the opening of the Seaway was likely to have an adverse effect on the development of low-grade properties particularly in Minnesota.

Canadian members mentioned that Canada's aluminum industry was at present operating at 55% of installed capacity whereas United States production was being maintained at between 85-90%. It was suggested that the situation might be eased to some extent if the United States would buy fabricated Canadian aluminum products.

General Considerations

It was recognized that Canada and the United States faced somewhat similar problems in the production and marketing of many minerals and that for a number of reasons these problems should be considered on a continental basis and from a long-term point of view. Some consideration was given to the problem of effects on the world trading situation and developments such as the European Economic Community. Marketing procedures adopted by the EEC could conceivably point the way to dealing with marketing problems in North America. Some consideration was given to the possibilities of dealing with basic minerals on a hemispheric basic to include both North and South America.

Committee 3—Boundary Waters

The Committee considered that the term "Boundary Waters" was not sufficiently broad to cover the matters which could usefully be discussed in this Committee. It was therefore suggested that the terms of reference for Committee 3 be broadened so as to include all boundary matters such as communications, utilization and conservation of water resources, recreation, wilderness areas, etc. Arising out of the discussion in this Committee, it was agreed that the resources represented by boundary waters should be conserved and utilized on a basis which would be fair to both countries and in such a manner as to confer maximum benefit on both countries.

In recognition of the power needs of the Columbia River Basin, the Committee expressed the hope that an early start could be made on developing the resources which the Columbia River has to offer so as to extend maximum benefits to the peoples of the two countries.

In considering the matter of pilotage on the Great Lakes, reference was made to the conflicting legislative proposals which had been introduced into the United States Congress and the Canadian Parliament. Concern was expressed at the prospect of unilateral legislative action being taken before discussions aimed at reconciling the divergent views had been concluded by the interested agencies of the two governments.

The Committee noted that consultations had been proposed between Canada and the United States to consider the question of the effect of additional extractions of water from the Great Lakes Basin and expressed the hope that these consultations would have beneficial results.

In view of the growing number of and perplexity of problems arising in the Great Lakes region as a result of the rapid growth in population, industrial development and Seaway traffic, the Committee suggested that the Steering Committee of the Canada-United States Interparliamentary Group collect all existing reports, studies and other data relating to the problems of pollution, recreation, conservation, power utilization, industrial location, port facilities and navigation and examine and evaluate the means available for assuring adequate coordination between the two countries in dealing with such problems.

It was recognized that the St. Lawrence Seaway and the Great Lakes are likely to give rise to a number of issues and problems. It was considered desirable therefore that the means be available for defining issues, collecting relevant data and formulating opinions and constructive suggestions related to these matters. The Steering Committee was therefore urged to explore the adequacy of existing institutions and procedures established for dealing with these matters.

The Committee expressed interest in the economic feasibility study of the Passamaquoddy Tidal Power project which was due to be made public before the end of the year and expressed the hope that this study would indicate that mutual benefits would accrue to areas in both countries if the power could be made available. Mention was also made of the desirability of preserving a Minnesota wilderness area and of developing mutually beneficial power grids along the international border.

The Committee recognized that some of the irritations that arise between Canada and the United States stem from fundamental differences between the two systems of government. Legislators were therefore urged to consult and seek advice from colleagues who had had the opportunity of participating in the Canada-United States Interparliamentary Group meetings.

The text of the communiqué issued in Ottawa on June 27th, 1959, is attached.

Report of the Third Meeting of the Canada-United States Interparliamentary Group
Washington April 21, 22, 1960

A full meeting of the Group was convened in Washington on April 21st, 1960. On the previous day the members of the Group were guests of the New York Stock Exchange at a luncheon given in New York and the New York Port Authority at Idlewild Airport. The following program had been prepared for the Group:

Wednesday, April 20

11:45 a.m.—Visit to New York Stock Exchange
1:00 p.m.—Luncheon at Stock Exchange
3:00 p.m.—Guests of New York Port Authority at Idlewild Airport
5:00 p.m.—Members of Congress return to Washington
7:30 p.m.—Arrival in Washington

Thursday, April 21

10:00 a.m.—Plenary Session
12:00 noon Canadian members of Group received on the floor of the United States Senate
12:30 p.m.—Senate luncheon, Old Supreme Court Room
3:00 p.m.—Committee meetings—
Defence Committee
Economic Problems Committee
Boundary Problems
6:00 p.m.—Canadian Embassy Reception

Friday, April 22

10:00 a.m.—Committee meetings
12:30 p.m.—House buffet luncheon
2.30 p.m.—Plenary Session
5:00 p.m.—Press Conference
7:30 p.m.—Senate-House Dinner

Saturday, April 23

9:00 a.m.—Depart Andrews Air Force Base, Washington
10:15 a.m.—Arrive Offutt Air Force Base, Omaha
10:30 to 11:45 a.m.—Operations briefing
11:45 to 12:45 p.m.—Lunch, Omaha
12:45 to 1:30 p.m.—Plans briefing, Offutt Air Force Base
1:30 to 2:30 p.m.—Discussion with General Thomas Power, Commander, SAC
4:00 p.m.—Depart Offutt Air Force Base
4:30 p.m.—Arrive Peterson Air Force Base, Colorado Springs
7:00 p.m.—Reception and dinner as guests of General Lawrence J. Kuter

Sunday, April 24

9:30 a.m.—Review Honour Guard
9:35 to 11:45 a.m.—NORAD Briefing at Ent AFB
12:15 p.m.—Depart Peterson
6:30 p.m.—Arrive Ottawa, Uplands Airport
7:30 p.m.—Depart Ottawa, Uplands Airport
9:00 p.m.—Arrive Andrews Air Force Base, Washington

The three Committees were composed of the following Legislators:

UNITED STATES DELEGATION

1. Defence Co-operation and Disarmament

Senator Henry M. Jackson, co-chairman
Senator Francis Case (South Dakota)
Senator J. William Fulbright
Senator Warren G. Magnuson
Rep. Edna F. Kelly, co-chairman
Rep. Gerald R. Ford, Jr.
Rep. Chester E. Morrow
Rep. Leonor K. Sullivan

CANADIAN DELEGATION

Senator Mark R. Drouin, chairman
Senator Arthur L. Beaubien
Mr. William Anderson
Mr. J. Marcel Bourbonnais
Mr. George Halpenny
Mr. Paul Hellyer
Mr. James McGrath
Mr. Gabriel Roberge

UNITED STATES DELEGATION	CANADIAN DELEGATION
2. Trade and Economic Problems	
Senator Wayne Morse, co-chairman	Hon. Roland Michener, chairman
Senator E. L. (Bob) Bartlett	Senator William R. Brunt
Senator Homer E. Capehart	Senator T. D'Arcy Leonard
Rep. Walter H. Judd, co-chairman	Mr. Armand Dumas
Rep. Wayne N. Aspinall	Mr. Hugh Horner
Rep. Frank Ikard	Mr. Alan Macnaughton
Rep. W. R. Poage	Mr. Louis-Joseph Pigeon
	Mr. Reynold Rapp
3. Boundary Problems	
Senator George D. Aiken, co-chairman	Mr. Erik Nielsen, chairman
Senator Frank Church	Senator Frederick M. Blois
Senator Mike Mansfield	Senator Sydney J. Smith
Senator Alexander Wiley	Mr. Herbert Herridge
Rep. Frank M. Coffin	Mr. Russell Keays
Rep. Thaddeus J. Dulski	Mr. Herve Michaud
*Rep. Cornelius E. Gallagher	Mr. Norman Spencer
Rep. Don L. Short	Mr. Robert Stewart
* Serving as alternate for Mr. Coffin.	

The group continued its procedures of having informal, off-the-record discussions and refrained from making recommendations, leaving it to each national delegation to make such reports and recommendations to its respective authorizing institutions as it determines.

The Group met in plenary sessions on Thursday morning and Friday afternoon and held two sets of Committee meetings on Thursday afternoon and Friday morning. At the first plenary session United States Secretary of State, the Honourable Christian Herter, welcomed the Canadian delegates and wished the meetings success. In the plenary sessions delegates from both countries laid stress on the necessity for the people of each country to learn more about the other. The suggestion was made that the education systems in the United States and Canada might well take account of this need.

Following are the reports of the three Committees to the plenary meeting on Friday afternoon. The text of these reports were embodied in a communiqué released to the Press on April 22.

The Committee on Defence and Disarmament discussed certain aspects of defence policy, and the use of North American productive facilities for defence purposes, which have implications of mutual importance to the United States and Canada. The Committee also discussed the prospects for disarmament and the need for planning that will facilitate an orderly transition from military production to production for peaceful purposes, including public works.

There was general agreement that while seeking with all vigor for an understanding with the Communist bloc based on mutual trust and confidence, the West must maintain adequate defences until the Soviet camp accepts an inspection and control system of sufficient scope and efficiency to justify the commencement of active measures of disarmament.

The committee considered the changing character of the threat to North America and the effect of this on the operations of the North American Air Defense Command (NORAD). It was recognized that in addition to the military problems which will have to be faced during the next few years, the adoption of new weapons systems and concepts of defence will cause local economic readjustments which in some areas may be severe.

The Committee noted that during the last year there had been considerable progress in the program of defence production sharing between the United States and Canada. This was reflected in the fact that Canadian industry in 1959 received United States defence contracts valued at 96.3 million dollars; it was noted, however, that Canadian defence equipment purchases in the United States in the same period amounted to 116.6 million dollars. The Canadian members of the Committe expressed the view that the progress achieved to date was in no small measure due to the consideration given to the problem by the Interparliamentary Group at its meeting in June 1959. There was general agreement that a continuing effort was needed in both countries to achieve and maintain an

adequate balance in defence purchasing between Canada and the United States.

The Committee on Trade and Economic Problems approved the following summary of its discussions—

1. COMMON TRADE PROBLEMS Especially With Western Europe

The Committee agreed that economic progress abroad and the changing pattern of trading relations in Europe were creating new opportunities and serious problems for Canada and the United States. It was recognized that the interests of our two countries diverged to some extent in the face of these developments, partly because of political considerations and partly because of the greater dependence of Canada on international trade and the narrower range of its exports.

The merits and demerits of solutions based on different methods of computing tariffs and of tax relief were briefly explored. No firm agreement was reached concerning the respective cases for the "Inner Six" and "Outer Seven" but a consensus did appear on the need for the United States and Canada to co-operate closely and to work toward new arrangements with their European allies on a North Atlantic basis.

2. BILATERAL PROBLEMS

(a) *The Canadian Oil Problem*

Attention was drawn to the difficulties being experienced in the Canadian oil industry (particularly in Alberta) due to lack of markets for increasing oil supplies. Canadian delegates described various possible solutions, notably that of increasing domestic consumption, recognizing that some of these have foreign policy implications. Reference was also made to recently issued Canadian regulations governing oil and gas exploration in the Yukon and Northwest Territories.

(b) *Metals and Minerals*

The Committee recognized the intimate and important relationship between United States and Canadian production and markets for such commodities as lead and zinc, aluminum, copper, nickel and uranium. A United States delegate described the depressed lead and zinc condition in his country and foresaw no significant change in conditions over the near future in respect of either production or importation.

The delegates then considered the uranium and aluminum situations. In view of recent developments, the discussion on uranium was mainly in terms of the prospects which might emerge in a few years time, which did not now appear very auspicious for producers. On the other hand, the outlook for aluminum was regarded as more promising.

A United States delegate drew general attention to the increasing significance of Latin American markets for both Canada and the United States, and to the implications of prospective competition from expanding Latin American production of commodities such as oil, gas, and iron ore.

(c) *Wheat*

There was considerable detailed discussion of the surplus wheat problem confronting both the United States and Canada. No new approach was advanced for the problem, and there was general agreement that current arrangements, unsatisfactory though they might be, were still the best available in the existing situation. Both delegations were anxious to ensure continuing close bilateral consultations in order to avoid damage to established foreign commercial markets; Canadian delegates expressed their gratification at the way in which this consultation had developed.

The Committee on Boundary Problems.

The Committee on Boundary Problems came to the following conclusions which were reported to the plenary session:

1. *Passamaquoddy Tidal Power Project*

It is important to determine whether the Passamaquoddy Project is economically feasible. Meanwhile, judgment should be reserved awaiting further studies by the International Joint Commission. The Committee feels that this topic should be retained on its agenda.

2. *Hudson-Champlain-Richelieu Waterway*

Now that the St. Lawrence Seaway is in operation the two Governments should consider referring to the International Joint Commission the question of the economic feasibility of further development of this Waterway, taking into account the possible increase in trade between Canada and the United States which might result.

3. *Columbia River Basin Development*

The Canadians welcomed statements by United States delegates that no particular project of interest to the United States delegates should be allowed to stand in the way of a treaty on this subject based on the principle of optimum development of the Columbia River Basin with mutual sharing of the benefits. Once this principle has been adopted by the two Governments particular projects will fall into their appropriate order.

4. *Chicago Diversion*

This subject was again thoroughly and vigourously discussed and no change of the positions of the respective delegates emerged. The Canadian delegation appreciates the waste disposal problem facing Chicago.

5. *Pollution in the Great Lakes*

Both delegations expressed concern about increasing pollution both from lake cities and shipping. It was agreed that it would be useful for the two Governments to study remedial measures.

6. *Yukon-Alaska Problems*

Canadian delegates expressed concern that a proposed high dam at Rampart, Alaska, may prejudice maximum development for the benefit of both countries of the Yukon River power potential. Canadian delegates raised the question of some form of free port facilities for Canada in the Alaska panhandle and corridors across it. United States delegates suggested that additional information about these matters be furnished to them before the next meeting of the Group and that they be placed on the agenda for the next meeting.

Following the meetings in Washington, the Group toured the Strategic Air Command Headquarters in Omaha, Nebraska, and NORAD Headquarters in Colorado Springs. This tour enabled the Canadian delegates to obtain a fuller appreciation of the role being played by the two countries in the defence of North America and the free world.

The United States Section of the Group has been invited to Canada in August, 1960, for which time visits to certain industrial and mining areas are being planned.

In presenting these reports which are mainly factual, the members of the Canadian delegation would like to express their conviction that these interparliamentary exchanges have been of great value, not only to those participating, but to both countries in supplying a direct channel of communication and understanding between Parliament and Congress and an opportunity of developing personal friendships between members of the legislatures of the two countries. We are confident that the exchange is well worth continuing. We feel that it will be even more effective if the following recommendations are implemented:

(1) That continuity be preserved from one meeting to the next by ensuring that in a delegation of twenty-four, from nine to twelve of the members attending one meeting be appointed on the delegation to the next;

(2) That the personnel of the Canadian Delegation be settled as early as possible in each Session of Paliament so that members may have ample opportunity to prepare themselves for the forthcoming meeting of the Group;

(3) That a Secretary be designated from an appropriate staff to work with the Joint Chairmen, to assist in planning of and preparation for the meetings and to give continuity to our proceedings;

(4) That the delegation favours a meeting in Ottawa while the Canadian Parliament is in Session.

We conclude by expressing our appreciation of the excellent assistance and staff work which the Canadian Delegation has had from a number of senior officials in various departments of the Canadian Government.

Dated at Ottawa the 24th day of May, 1960.

"MARK DROUIN"
Speaker of the Senate

"D. R. MICHENER"
Speaker of the House of Commons
JOINT CHAIRMEN

APPENDIX "B"

(*See p. 677*)

SUBJECT-MATTERS REFERRED TO STANDING COMMITTEES OF THE SENATE IN LAST TEN YEARS

(Answer to inquiry of Hon. Mr. Pouliot)

STANDING COMMITTEE ON BANKING AND COMMERCE

Year	*Subject-Matter Other than Bills*
1950	NIL
1951	NIL
1952	Subject-matter of the following resolution:— "That it is expedient that the Houses of Parliament do approve the Supplementary Extradition Convention between the United States of America and Canada, signed at Ottawa on October 26, 1951, amending the Supplementary Extradition Convention between the United States of America and Her Britannic Majesty, signed at Washington on December 13, 1900, and that this House do approve the same."
1953	NIL
1954	NIL
1955	NIL
1956	NIL
1957	NIL
1958	The Committee considered the Agreement between the Government of Canada and the Government of Saskatchewan respecting the South Saskatchewan River Project, made July 25th, 1958.
1959	NIL
1960	NIL

STANDING COMMITTEE ON TRANSPORT AND COMMUNICATIONS

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1950–51	NIL
1951	Authorized to examine and report upon the Report of the Royal Commission on Transportation and especially upon the proposal to equalize freight rates and the effect of such proposal on specific areas of Canada.
1952	NIL
1952–53	NIL
1953–54	NIL
1955	NIL
1956	NIL
1957	NIL
1957–58	NIL
1958	NIL
1959	NIL
1960	NIL

STANDING COMMITTEE ON MISCELLANEOUS PRIVATE BILLS

Year	*Subject-Matter Other than Bills*
1950	NIL
1950–51	NIL
1951	NIL
1952	NIL
1952–53	NIL
1953–54	NIL
1955	NIL
1956	NIL
1957	NIL
1957–58	NIL
1958	NIL
1959	NIL
1960	NIL

STANDING COMMITTEE ON EXTERNAL RELATIONS

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31, 1951.
1950–51	NIL
1951	Examination and report upon the problems involved in Canadian participation in the Military and Economic programs of the North Atlantic Treaty Organization.
1952	NIL
1952–53	Statement read to the Committee by Mr. L. D. Wilgress, Under Secretary of State of External Affairs on the International Situation
1953–54	NIL
1955	Official visit of the Secretary of State of the United States of America, Honourable John Foster Dulles, statement on the international situation
1956	NIL
1957	NIL
1957–58	NIL
1958	Agreement between the Government of Canada and the Government of the United States of America concerning Org and Operation of the North American Air Defence Command (NORAD).
1959	Review of the activities of the North Atlantic Treaty Org. in so far as the interests of Canada therein are concerned.
1960	Review of the present roll of Canada in international affairs, with special reference to Canadian participation in the activities of the United Nations and the North Atlantic Treaty Organization.

STANDING COMMITTEE ON FINANCE

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1950–51	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1952.
1951	NIL
1952	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1953.
1952–53	NIL
1953–54	NIL
1955	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1956.

Year	*Subject-Matter Other than Bills—Concluded*
1956	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1957.
1957	NIL
1957–58	NIL
1958	Examination of the report of the Central Mortgage and Housing Corporation for the fiscal year ending December 31st, 1957.
1959	Examination of the Canada Council report for the year ending March 31, 1958, and the Auditor General's Report of the balance sheet of the Canada Council. Study of the threat of inflation in Canada.
1960	NIL

STANDING COMMITTEE ON TOURIST TRAFFIC

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31, 1951.
1950–51	Inquired into and reported upon the activities of the various agencies concerned with promoting tourist travel in Canada.
1951	NIL
1952	NIL
1952–53	Inquired into and reported upon the activities of the various agencies concerned with promoting tourist travel in Canada.
1953–54	Inquired into and reported upon the activities of the various agencies concerned with promoting tourist travel in Canada.
1955	NIL
1956	NIL
1957	Inquired into and reported upon the activities of the various agencies concerned with promoting tourist travel in Canada.
1957–58	NIL
1958	NIL
1959	Inquired into and reported upon the activities of the various agencies concerned with promoting tourist travel in Canada.
1960	NIL

STANDING COMMITTEE ON NATURAL RESOURCES

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1950–51	NIL
1951	NIL
1952	NIL
1952–53	NIL
1953–54	NIL
1955	NIL
1956	NIL
1957	NIL
1957–58	NIL
1958	NIL
1959	NIL
1960	NIL

STANDING COMMITTEE ON IMMIGRATION AND LABOUR

Year	*Subject-Matter Other than Bills*
1950	Expenditures proposed by certain of the Votes of the estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1950–51	Examine into the Immigration Act (R.S.C. Chapter 93 and Amendments) its operation and administration and the circumstances and conditions relating thereto.
1951	NIL
1952	NIL
1952–53	Examine into the Immigration Act (R.S.C. Chapter 93 and amendments) its operation and administration and the circumstances and conditions relating thereto.
1953–54	NIL
1955	NIL
1956	NIL
1957	NIL
1957–58	NIL
1958	NIL
1959	NIL
1960	NIL

STANDING COMMITTEE ON TRADE RELATIONS

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1950–51	NIL
1951	NIL
1952	NIL
1952–53	What, in their opinion might be the most practical steps to further implement Article 2 of the N.A.T. whereby the signatories to that document agreed that—They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.
1953–54	What, in their opinion might be the most practical steps to further implement Article 2 of the N.A.T. whereby the signatories to that document agreed that—They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.
1955	What, in their opinion might be the most practical steps to further implement Article 2 of the N.A.T. whereby the signatories to that document agreed that—They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.
1956	What, in their opinion might be the most practical steps to further implement Article 2 of the N.A.T. whereby the signatories to that document agreed that—They will seek to eliminate conflict in their international economic policies and will encourage economic collaboration between any or all of them.
1957	NIL
1957–58	Same as 1952–53.
1958	NIL
1959	NIL
1960	NIL

STANDING COMMITTEE ON PUBLIC HEALTH AND WELFARE

Year	*Subject-Matter Other than Bills*
1950	Examination of expenditures proposed by certain of the Estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1951 (1st Session)	NIL
1951 (2nd Session)	NIL
1952 (1st Session)	NIL
1952–53	NIL
1953–54	NIL
1955	NIL
1956	NIL
1957	NIL
1957–58	NIL
1958	NIL
1959	NIL

STANDING COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

Year	*Subject-Matter Other than Bills*
1950	Expenditures proposed by certain of the Votes of the Estimates laid before Parliament for the fiscal year ending March 31st, 1951.
1951	NIL
1952	NIL
1953	NIL
1954	NIL
1955	NIL
1956	NIL
1957	NIL
1958	NIL
1959	NIL
1960	NIL

STANDING COMMITTEE ON DIVORCE

All matters relating to Petitions to Parliament for Divorce.

STANDING COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

All matters relating to staff and the internal economy of the Senate.

79955-1—45½

APPENDIX "C"

(*See pp. 683-4*)

UNIVERSITY GRANTS BY INSTITUTION—1951-52 to 1959-60

(Provincial totals may not always agree with the detail shown because of rounding)

(in thousands of dollars)

—	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
NEWFOUNDLAND									
1. Memorial University	180.7	187.0	191.5	199.0	206.0	415.1	426.0	657.0	673.5
PRINCE EDWARD ISLAND									
1. Prince of Wales College	13.8	17.4	20.5	21.0	16.6	27.2	28.3	46.5	52.7
2. St. Dunstan's University	35.4	34.1	32.5	31.5	37.4	72.1	70.7	103.5	100.3
	49.2	51.5	53.0	52.5	54.0	99.3	99.0	150.0	153.0
NOVA SCOTIA									
1. Acadia University	42.1	43.2	46.1	49.9	52.1	105.4	102.0	156.3	154.9
2. Collège Sainte-Anne	5.1	5.2	5.7	5.9	4.6	12.9	15.3	23.3	21.3
3. Convent of the Sacred Heart	1.2	1.1	1.4	1.2	0.5	2.2	2.1	5.2	5.1
4. Dalhousie University	117.9	116.7	111.1	115.0	110.9	226.9	205.6	313.3	314.4
5. Holy Heart Seminary	8.0	9.0	9.5	8.6	7.7	12.4	10.7	12.7	13.4
6. Maritime School of Social Work	2.6	1.9	1.7	1.7	1.5	3.1	3.3	4.7	5.5
7. Mount St. Vincent College	17.7	17.4	20.0	19.7	20.8	40.6	46.1	71.3	69.9
8. Nova Scotia Agricultural College	3.3	3.6	5.0	5.5	5.6	10.7	9.6	15.3	17.9
9. Nova Scotia Technical College	23.7	18.5	17.8	16.3	19.2	40.4	41.3	60.5	64.2
10. Pine Hill Divinity Hall	3.1	2.8	3.1	4.3	3.7	6.5	8.1	13.4	11.2
11. St. Francis Xavier University	70.0	76.6	81.4	86.7	92.4	186.2	189.4	286.4	282.5
12. St. Mary's University	16.4	21.3	20.9	21.6	22.7	47.4	49.0	77.1	83.7
13. University of King's College	10.2	8.9	7.7	—	—	—	19.5	25.6	29.9
	321.2	326.5	331.5	336.5	341.5	694.7	702.0	1,065.0	1,074.0
NEW BRUNSWICK									
1. Mount Allison University	80.2	87.1	95.7	99.1	99.5	176.9	192.5	265.4	275.2
2. St. Thomas College	11.1	11.2	9.6	8.7	9.6	15.8	12.3	22.8	20.9
3. Université du Sacré-Coeur	13.9	14.1	12.0	10.1	9.3	21.2	20.1	30.3	37.2
4. Université Saint Joseph	32.2	34.5	31.3	31.9	29.4	59.6	63.0	105.5	118.0
5. Université Saint Louis	14.7	19.3	20.4	17.8	17.1	32.0	27.8	41.5	45.4
6. University of New Brunswick	105.7	96.9	99.1	106.0	114.1	249.2	249.3	400.1	388.3
	257.8	263.0	268.0	273.5	279.0	554.6	565.0	865.5	885.0
QUEBEC (1)									
1. Bishop's University	24.5	—	—	—	—	57.5	52.7	83.7	92.1
2. Collège Jean-de-Brébeuf	—	—	—	—	—	—	—	—	50.8
3. Université Laval	515.5	—	—	—	—	1,274.2	1,354.3	2,062.9	2,041.3
4. Loyola College	—	—	—	—	—	—	—	—	182.4
5. Collège Marie-de-France	—	—	—	—	—	—	—	25.2*	23.8
6. McGill University	617.1	—	—	—	—	1,184.7	1,173.6	1,648.6	1,599.1
7. Université de Montréal	799.2	—	—	—	—	1,798.4	1,779.1	2,777.7	2,732.8
8. Presbyterian College	—	—	—	—	—	—	4.4*	5.5*	5.4

9. Collège de Rouyn	—	—	—	—	—	—	—	31.2	30.3
10. Université de Sherbrooke	—	—	—	—	—	136.2	189.7	345.6	376.2
11. Sir George Williams College	71.6	—	—	—	—	177.4	204.1	345.6	364.3
	2,027.8	2,087.0	2,134.5	2,194.0	2,260.0	4,628.4	4,758.0	7,326.0	7,498.5

(1) Grants were all accepted in 1951–52; were all rejected in 1952–53 to 1956–57 and for the fiscal years 1957–8 and 1958–59 the grants were rejected except for those marked *.

As of February 29, 1960 no university or college had applied for the 1959–60 grant.

ONTARIO

1. Assumption University	64.6	62.9	49.0	55.5	56.5	128.3	162.5	274.6	291.8
2. Carleton University	50.1	54.3	54.1	55.0	58.1	126.8	140.1	229.9	256.2
3. Collège Bruyere	4.8	4.8	3.4	3.8	4.9	7.8	7.0	14.9	15.1
4. Collège de Cornwall	—	—	.5	1.5	2.6	4.4	6.3	8.4	8.9
5. Collège du Sacré-Cœur	10.1	9.8	9.8	12.1	12.7	25.8	—	—	—
6. Huron College	6.0	5.5	6.4	6.8	9.3	30.0	47.3	100.6	125.7
7. Ignatius College	—	—	—	—	—	—	—	6.9	5.8
8. Jesuit Seminary	—	—	—	—	—	15.9	17.6	—	—
9. Knox College	5.5	6.2	6.4	7.8	7.5	14.3	11.3	16.7	17.1
10. Lakehead College of Arts, etc	—	—	—	—	—	—	19.1	29.8	24.3
11. McMaster University	120.2	126.3	130.5	126.4	136.3	280.4	281.0	444.2	463.4
12. Music Teacher's College	2.5	3.8	3.4	4.5	4.7	—	—	—	—
13. Notre Dame	4.1	7.4	5.6	5.8	4.4	6.0	6.0	4.7	—
14. Ontario Agricultural College	64.6	70.1	75.2	81.7	81.9	160.7	169.1	278.6	273.0
15. Ontario College of Pharmacy	52.9	57.7	—	—	—	—	—	—	—
16. Ontario Veterinary College	39.8	36.9	46.0	41.1	37.6	67.6	71.7	100.6	104.8
17. Osgoode Hall Law School	—	—	—	—	—	183.4	177.9	243.0	262.3
18. Petit Séminaire d'Ottawa	8.3	9.8	7.3	8.6	7.8	13.0	7.5	12.7	14.7
19. Université d'Ottawa	159.8	185.4	167.5	179.1	180.1	375.3	444.1	709.0	742.2
20. Queen's Theological College	3.0	3.6	3.7	4.0	4.7	8.9	10.3	13.8	15.8
21. Queen's University	264.1	294.3	310.7	319.9	327.8	634.6	636.8	1,010.4	973.8
22. Regis College	—	—	—	—	—	—	—	16.7	21.9
23. St. Jerome's College	1.1	1.7	1.7	2.5	2.6	5.5	27.9	37.0	22.9
24. St. Michael's College	81.6	77.0	84.5	101.4	106.8	216.0	220.6	336.3	348.0
25. St. Patrick's College	20.0	19.3	18.1	20.7	20.5	45.6	40.5	36.7	62.3
26. St. Peter's Seminary College of Arts	6.7	5.7	5.9	6.6	16.1	40.2	45.3	82.1	86.0
27. St. Stanislaus Novitiate	—	—	—	—	—	5.7	5.0	—	—
28. Université de Sudbury	—	—	—	—	—	—	20.1	40.7	47.9
29. University of Toronto	818.4	830.0	920.9	934.0	931.4	1,837.5	1,818.5	2,742.9	2,681.7
30. Trinity College	63.9	62.0	68.1	71.7	73.1	141.1	146.9	225.9	206.2
31. Ursuline College of Arts	13.1	13.1	11.8	11.6	10.4	26.1	26.9	39.6	32.9
32. Victoria University	164.6	155.1	152.8	152.9	162.0	317.9	343.4	532.5	552.4
33. University of Waterloo	—	—	—	—	—	—	—	—	131.2
34. Waterloo College	23.7	23.4	24.5	33.6	39.4	86.1	82.3	150.0	173.6
35. University of Western Ontario	240.9	253.6	277.4	270.0	289.2	595.2	618.4	956.3	956.2
36. Wycliffe College	4.4	3.6	3.4	4.3	3.4	5.0	5.3	9.1	7.9
	2,298.8	2,383.0	2,448.5	2,523.0	2,591.5	5,404.9	5,622.0	8,704.5	8,928.0

UNIVERSITY GRANTS BY INSTITUTION—1951-52 to 1959-60—*Concluded*

(Provincial totals may not always agree with the detail shown because of rounding)
(in thousands of dollars)

—	1951-52	1952-53	1953-54	1954-55	1955-56	1956-57	1957-58	1958-59	1959-60
MANITOBA									
1. Brandon College	18.2	19.8	19.1	15.8	14.9	30.3	33.2	55.1	58.5
2. Collège de Saint-Boniface	10.1	9.6	8.1	8.2	8.3	14.6	14.7	22.5	26.8
3. Grand Séminaire de Saint-Boniface	—	—	—	—	—	13.0	15.2	18.5	13.6
4. Manitoba Law School	14.8	16.2	15.7	17.8	17.1	32.0	25.8	34.9	28.0
5. St. John's College	2.3	2.9	4.5	5.2	6.6	13.4	15.8	36.4	51.1
6. St. Paul's College	11.3	10.1	9.6	12.0	12.3	31.9	33.7	61.8	73.9
7. United College	52.4	55.5	55.6	56.2	58.4	121.8	125.3	193.1	183.2
8. University of Manitoba	279.2	284.8	292.0	298.9	306.9	592.9	596.2	882.6	892.5
	388.3	399.0	404.5	414.0	424.5	850.0	860.0	1,305.0	1,327.5
SASKATCHEWAN									
1. Campion College	1.6	4.9	3.2	2.1	3.0	5.8	6.9	5.4	7.1
2. Collège Catholique de Gravelbourg	5.8	6.0	6.2	7.2	6.1	11.9	6.9	9.4	11.7
3. Emmanuel College	—	3.1	4.3	5.6	4.4	8.7	5.3	7.9	7.4
4. Luther College of Regina	4.0	2.2	3.0	3.3	3.6	5.6	7.1	6.4	6.0
5. Luther Theological Seminary	.7	2.6	3.0	2.3	3.3	4.2	4.4	14.5	6.6
6. Lutheran College & Seminary	2.5	3.5	1.8	2.1	2.7	4.5	3.9	—	—
7. Notre Dame College	6.5	6.2	5.3	5.4	7.2	15.6	12.2	11.8	11.7
8. Sacred Heart College	.7	—	—	—	—	—	—	—	—
9. Scholastical du Sacré-Cœur	3.1	2.6	3.4	2.9	1.8	3.2	4.1	6.7	6.3
10. St. Andrew's College	5.6	4.7	3.6	5.2	4.6	8.5	6.7	9.1	6.3
11. St. Chad's College	2.7	1.1	1.2	1.3	1.4	1.9	.9	1.5	1.4
12. St. Peter's College	.5	.7	.7	.2	.3	1.6	.7	4.5	2.0
13. St. Thomas College	3.5	5.3	2.8	2.0	1.8	4.0	3.4	5.4	6.3
14. St. Thomas More College	22.2	24.6	28.1	23.1	23.9	45.8	63.9	98.3	96.7
15. University of Saskatchewan	356.4	354.1	363.9	376.4	380.4	759.4	752.7	1,151.2	1,183.5
	415.9	421.5	430.5	439.0	444.5	880.7	879.0	1,332.0	1,353.0
ALBERTA									
1. Camrose Lutheran Junior College	—	—	—	—	—	—	—	—	2.9
2. Collège Saint-Jean	2.5	2.1	2.4	2.2	2.4	8.4	9.9	17.3	9.5
3. Lethbridge Junior College	—	—	—	—	—	—	6.4	18.7	19.7
4. Mount Royal College	2.5	1.0	—	—	—	—	—	—	—
5. St. Joseph's College	—	1.6	1.8	1.7	1.5	4.6	4.0	8.5	5.1
6. St. Stephen's College	2.2	3.0	2.7	4.1	3.3	10.1	9.1	12.4	9.5
7. University of Alberta	462.6	477.2	494.2	511.4	525.8	1,099.9	1,130.5	1,744.6	1,817.8
	469.8	485.0	501.0	519.5	533.0	1,123.1	1,160.0	1,801.5	1,864.5

British Columbia									
1. Anglican Theological College	1.2	2.0	3.1	1.3	1.3	2.5	2.1	2.7	2.7
2. Notre Dame College	—	—	6.7	5.4	7.8	9.0	12.6	17.4	31.9
3. Union College of B.C.	2.3	2.2	2.2	1.5	1.7	3.4	3.7	7.8	7.5
4. University of British Columbia	548.8	561.2	572.0	590.7	604.5	1,286.8	1,363.9	2,102.1	2,099.2
5. Victoria College	30.3	33.6	31.1	34.2	37.3	96.8	104.8	186.1	213.6
	582.6	599.0	615.0	633.0	652.5	1,398.5	1,487.0	2,316.0	2,355.0

THE SENATE

Friday May 27, 1960

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

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

27th May 1960

Sir,

I have the honour to inform you that the Hon. Robert Taschereau, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 27th May, at 3.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
E. Joly de Lotbinière,
Assistant Secretary to the Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

(*Translation*):

Hon. Jean-François Pouliot: Honourable senators, may I be allowed to say a few words on this subject? What I want to say is that the Honourable the Chief Justice of Canada has come several times in succession to give the royal sanction to certain bills. Today I am very glad that it should be the turn of the Honourable Mr. Justice Robert Taschereau.

(*Text*):

I would like to ask the honourable Leader of the Government (Hon. Mr. Aseltine) if he would be kind enough to convey a wish to His Excellency. It is that all the judges of the Supreme Court should be appointed in turn to give the royal sanction in order that we may have the privilege of seeing each one of them successively.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, May 31, 1960 at 8 o'clock in the evening.

Motion agreed to.

CITIZENSHIP

STATUS OF HIGH COMMISSIONERS TO CANADA

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. Are the High Commissioners to Canada for the United Kingdom of Great Britain and Northern Ireland, Australia, Ceylon, Ghana, Malaya, New Zealand, and the Union of South Africa, Canadian citizens as well as British subjects by virtue of their residence in Canada and, if so, for how long?
2. Are the High Commissioners to Canada for India and Pakistan Canadian Citizens and British subjects as well as Citizens of the Commonwealth, by virtue of their residence in Canada and, if so, for how long?

Hon. W. M. Aseltine: Honourable senators, the answer to this inquiry is as follows:

1. None of the High Commissioners to Canada is a Canadian citizen by virtue of residence in Canada.
2. No.

NOVA SCOTIA PRIMARY PRODUCTS

ANNUAL VALUE 1957-58-59

Hon. Donald Smith inquired of the Government, pursuant to notice:

What was the annual value of primary products in Nova Scotia for 1957, 1958, 1959 in respect of
(i) Fish landings;
(ii) Farming operations (gross income);
(iii) Woods operations
(a) Sawn lumber;
(b) Total pulpwood production?

Hon. W. M. Aseltine: Honourable senators, the answer to this inquiry is as follows:

The annual value of output of primary products in Nova Scotia was:

	1957	1958	1959
	$	$	$
(i) Fish landings	23,083,800	24,954,500	27,129,000[1]
(ii) Farming Operations	50,396,000	51,277,000	53,337,000
(iii) Woods Operations:			
Sawn Lumber	15,759,031	12,196,570	not yet
Pulpwood	6,071,664	6,219,512	available

[1] Preliminary

RUMOURED VISIT OF PARLIAMENTARIANS TO SOVIET UNION

On the Orders of the Day:

Hon. Wishart McL. Robertson: Honourable senators, before the orders of day are proceeded with I should like to invoke the good offices of the Leader of the Government in this house (Hon. Mr. Aseltine) in regard to two specific matters. First, there has been a very persistent rumour that a delegation of parliamentarians has been arranged for to visit the Soviet Union in the near future. If that is within the knowledge of the honourable leader, I ask that he take the house into his confidence and tell us something more in regard to it.

CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

Hon. Mr. Robertson: The second matter I wish to mention is this. Yesterday there was published in the Senate *Hansard* a comprehensive report of the activities of the Canada-United States Interparliamentary Group, including a report of the second and third meetings—the second having taken place about a year ago, and the third more recently. There are, I am sure, matters of great interest in that report, and therefore I would suggest to the honourable leader that whoever presented it might move that it be adopted by the Senate, in order to afford an opportunity to anyone who wishes to discuss it or matters pertaining thereto.

I might remind the honourable leader that in response to a question some time ago, the honourable senator from Hanover (Hon. Mr. Brunt), who is one of the active members of the Interparliamentary Group, suggested that when a report was published an opportunity might be then available to obtain additional information or make comment; but I see no way in which, under ordinary circumstances, we can participate in any discussion unless there is a motion for adoption of the report before the Senate.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT AS TO TENURE OF OFFICE OF JUDGES

Hon. W. Ross Macdonald: Honourable senators, I notice from the Order Paper that the first order of business for Tuesday next will be consideration of a motion with respect to the tenure of office of judges. May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) if it is his intention to proceed with that motion on Tuesday?

Hon. Mr. Aseltine: Honourable senators, I intend to ask that it stand for another two weeks.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-375, for the relief of Norma Katherine MacDonald McLean.

Bill SD-376, for the relief of Diane Hawkins Edler.

Bill SD-377, for the relief of Marcel Pouliot.

Bill SD-378, for the relief of Gisele Raymond Vallee.

Bill SD-379, for the relief of Madeleine Arbour Gauvreau.

Bill SD-380, for the relief of Pierre Frederic Bruneau.

Bill SD-381, for the relief of Nancy Virginia Webster Canning.

Bill SD-382, for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.

Bill SD-383, for the relief of Jean Paul Alfred Lebel.

Bill SD-384, for the relief of Bernice Ellis Biltis.

Bill SD-385, for the relief of Evagelia Karidi Tsitsos.

Bill SD-386, for the relief of Barbara Raphael Salomon.

Bill SD-387, for the relief of Richard Denis Giblin.

Bill SD-388, for the relief of Fanny Hussey Baggs.

Bill SD-389, for the relief of Lambly Dorothy Audrey Hage Lambert.

Bill SD-390, for the relief of Paul Emile Raymond.

Bill SD-391, for the relief of Doris Mary Luxford Devenish.

Bill SD-392, for the relief of Beulah Benford Brown Lawrence.

Bill SD-393, for the relief of Kathleen Walsh Cohan.

Bill SD-394, for the relief of Francis Whiting Clark.

Bill SD-395, for the relief of Gustave Roy.

Bill SD-396, for the relief of Joan Shirley Davies Herscovitch.

Bill SD-397, for the relief of Eugena Grandmont Ladouceur.

Bill SD-398, for the relief of Ivy Helen Gentles Bell Pull.

Bill SD-399, for the relief of Herve Vaillancourt.

Bill SD-400, for the relief of Madeleine Hermine Kelen Endrenyi.

Bill SD-401, for the relief of Marie Jeanine Andree Boisclair Lafrance.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

On the Order:

Resuming the postponed debate on the motion of the Honourable Senator Croll, seconded by the Honourable Senator Roebuck, for second reading of Bill S-25, intituled: "An Act to make Provision for the Disclosure of Information in respect of Finance Charges".—(Honourable Senator Connolly, Ottawa West).

Hon. John J. Connolly (West Ottawa): Honourable senators, at the outset perhaps I should say that I had thought I would speak for approximately twenty minutes, but I would not want to interfere with the royal assent which I understand is to be given at approximately a quarter to four. If I have not finished at an appropriate time, it could be called to my attention and I will gladly stop and continue at another time convenient to honourable senators.

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Roebuck: The sponsor of the bill, the honourable senator from Toronto-Spadina (Hon. Mr. Croll), is not present, so why not let it stand and make one address on it on Tuesday next when all interested are here?

Hon. Mr. Connolly (Ottawa West): It is perfectly agreeable to me to speak at this time or to let it stand.

Hon. Mr. Aseltine: I suggest that the honourable senator go ahead.

Hon. Mr. Macdonald: As has been pointed out, the sponsor of the bill is not present. Probably he would like to hear what is said. However, we will leave it up to the honourable senator from Ottawa West (Hon. Mr. Connolly).

Hon. Mr. Roebuck: It is a question whether the sponsor would want to reply to what the honourable senator from Ottawa West says.

Hon. Mr. Connolly (Ottawa West): Stand.

The Hon. the Speaker: The order stands.

RAILWAY BILL

On the order for the second reading of Bill C-61, intituled "An Act to amend An Act to amend the Railway Act".

Hon. W. M. Aseltine: Honourable senators, if I had known that the honourable senator from Ottawa West (Hon. Mr. Connolly) was not going to proceed this afternoon with his remarks on the Finance Charges (Disclosure) Bill, I would have been ready to go on with this order, but under the circumstances I will have to ask that it stand also.

Hon. Mr. Robertson: You are excused.

Hon. Mr. Crerar: Agreed.

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 434 to 448, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Robert Taschereau, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

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

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act for the relief of Marie Rita Dube Hould.

An Act for the relief of Stella Jean Margaret Newman Lamartine.

An Act for the relief of Margaret Estelle Eleanor Evans Lanese.

An Act for the relief of Jean Brasgold Martz.

An Act for the relief of Glafira Milczyn Sohn, otherwise know as Vera Milczyn Sohn.

An Act for the relief of Militza Anich Racette.

An Act to incorporate United Canada Insurance Company.

An Act respecting Montreal Life Insurance Company.

An Act to incorporate Canadian Reassurance Company.

An Act to incorporate Munich Reinsurance Company of Canada.

An Act to incorporate The College of General Practice of Canada.

An Act to incorporate Matador Pipe Line Company, Ltd.

An Act respecting The National Sanitarium Association.

An Act respecting British Columbia Telephone Company.

An Act respecting Eastern Telephone and Telegraph Company.

An Act to incorporate Adanac General Insurance Company of Canada.

An Act to incorporate Laurentide Finance Company.

An Act respecting International Loan Company.

An Act to repeal certain fisheries laws of Newfoundland.

An Act to control and regulate the sale of feeds.

An Act to amend the Export and Import Permits Act.

An Act to amend the Federal-Provincial Tax-Sharing Arrangements Act.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Governor General as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, May 31, at 8 p.m.

79955-1—46½

THE SENATE

Tuesday, May 31, 1960

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

Prayers.

GUESTS IN SENATE GALLERY

The Hon. the Speaker: Honourable senators, I wish to draw your attention to the presence in our gallery of a very friendly visitor from Australia, Senator the Honourable Sir Walter Cooper, a member of the Senate of Australia and Minister for Repatriation. Sir Walter is accompanied by his Private Secretary, Mr. McGregor.

Hon. George S. White: Honourable senators, I would like to add a word or two to the greeting extended by His Honour the Speaker. A very short time ago my colleague from Queens-Shelburne (Hon. Mr. Smith) and I were privileged to attend the meeting of the Commonwealth Parliamentary Association in Australia. Most of the success of that gathering was due to the present President of the Senate of Australia, Sir Alister McMullin, who is now head of the Commonwealth Parliamentary Association.

It will interest honourable senators to know that our distinguished visitor has a most outstanding war record, and that in the Australian cabinet he holds the portfolio that equals that of the Minister of Veterans Affairs in our cabinet. I am sure all honourable senators extend every greeting to our distinguished visitor, and we trust that his visit in Canada will be very successful.

Hon. Senators: Hear, hear.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled the following:

The *Canada Gazette*, Part II, Statutory Orders and Regulations, 1960, Wednesday, May 25, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report of Operations under The Farm Improvement Loans Act for the year ended December 31, 1959, pursuant to section 13 of the said Act, being Chapter 110, R.S., 1952. (English and French texts).

Auditor General's Report on the examination of the accounts and financial statements of the National Battlefields Commission for the fiscal year ended March 31, 1960, as required by section 12, Statutes of 1908.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 449 to 463, and moved that the said reports be taken into consideration at the next sitting.

He said: Honourable senators, you will no doubt be pleased when I tell you we are nearing the completion of the lengthy list of divorce cases for this session. It seems a long time since the committee commenced its work, and you will have noted that we have now presented 463 reports. During the session 609 petitions have been presented, which is perhaps our record of all time.

The following table shows the situation to date:

Petitions presented		609
Petitions recommended	457	
Petitions withdrawn	14	
Petitions rejected	7	
Petitions pending	131	
	609	609

Of the 131 petitions pending, 17 have been listed for hearing, leaving a balance of 114. We propose to deal with the 17 petitions as follows: On Friday, June 3, there will be 10 cases on the docket for hearing; on Tuesday, June 7, 4 cases, and on Tuesday, June 14, 3 cases. We shall list no cases for trial after June 14. I have mentioned the number of cases now ready for trial. Other petitioners may wish to be heard at this session, but if they are to be heard they must have their cases ready for hearing prior to June 14 or they will go over to the next session.

The work of the committee is about the same now as it has been at this stage of previous sessions. Usually about 20 per cent of the cases listed for hearing at a session are not proceeded with and go over to the next session. The number of cases pending, namely, 114, is 18.7 per cent, which would be less than the usual number of cases to go over.

I wish to emphasize the point, so that all those who are interested may take note, that cases that are not ready by June 14 and placed on the docket for hearing will not be heard at this session, unless very special circumstances occur and are advanced to the committee.

Hon. Mr. Euler: May I ask the honourable chairman a question? Perhaps this is not a question I should address to him, but I will do so any way. Can he tell us how many of the divorce bills passed by the Senate have been passed by the House of Commons?

Hon. Mr. Roebuck: Honourable senators, I have only a hazy and inaccurate knowledge of that matter. The other house passed one bill today. I call your attention to the fact that I have said nothing with regard to this situation in the reports which I have made from time to time during the present session. The delay is not our responsibility.

I am hoping that the House of Commons is not entirely ineffective, inept and impotent,

that in due season the rights of these parties will be observed in that house, and that the bills we have sent there will be properly adjudicated. Anything else is unthinkable. I point out to my fellow senators that each of these divorce petitioners has paid us, the Parliament of Canada, $210, on the understanding that we are honest and will adjudicate their cases. To do anything else would be highly improper, altogether wrong, dishonest, and very unkind. I do not expect such a thing to take place in the Parliament of Canada.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-402, for the relief of Peter Eric Bray.

Bill SD-403, for the relief of Gerard Lafond. (Annulment)

Bill SD-404, for the relief of Jessie Davis Hill.

Bill SD-405, for the relief of Grace Ruth Goldenberg Goldberg.

Bill SD-406, for the relief of Elsie Mae Freake Vardy.

Bill SD-407, for the relief of Gisele Fortin St-Laurent.

Bill SD-408, for the relief of Pauline Anne Elizabeth Cunliffe Hebb.

Bill SD-409, for the relief of Mary Violet Maloney Elm.

Bill SD-410, for the relief of Gillies Jacques.

Bill SD-411, for the relief of Bernice May Snow Oss.

Bill SD-412, for the relief of Guy Grenier.

Bill SD-413, for the relief of Margaret Mary Ryan Girvan Hollett.

Bill SD-414, for the relief of Caroline Petryshyn Was.

Bill SD-415, for the relief of Rhonda Lee Petersen Butt.

Bill SD-416, for the relief of Alexandra Protonotarios Kingsland.

Bill SD-417, for the relief of Frances Theresa Smith MacDonald.

Bill SD-418, for the relief of Anna Soltysik Slawinski.

Bill SD-419, for the relief of Wera Podkopaewa Kraska.

Bill SD-420, for the relief of Ronald Mugford.

Bill SD-421, for the relief of Ida Denis Matte.

Bill SD-422, for the relief of Sterling Norman Woods.

Bill SD-423, for the relief of Mary Wolloch Vineberg.

Bill SD-424, for the relief of Lotte Wilhelmine Schwitzer Hornig.

Bill SD-425, for the relief of Margaret Clare Haigh Marshall.

Bill SD-426, for the relief of Claire Syrek Stolovitz.

Bills read first time.

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

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

Motion agreed to.

UNEMPLOYMENT INSURANCE

CLAIMANTS FOR BENEFITS IN ATLANTIC PROVINCES, 1957-60

Hon. Donald Smith inquired of the Government, pursuant to notice:

What was the number of claimants for unemployment insurance benefits as of the nearest date to April 30th, in each of the Atlantic Provinces, in 1957, 1958, 1959, 1960?

Hon. W. M. Aseltine: The answer to the honourable senator's inquiry is as follows:

The number of claimants as April 30 was:

	1957	1958	1959	1960
Newfoundland	16,671	30,957	25,295	28,991
Prince Edward Island	2,333	4,613	4,347	4,975
Nova Scotia	19,429	37,936	33,849	39,743
New Brunswick	22,782	40,138	35,163	37,428

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES

On the Order for Motions:

Hon. W. M. Aseltine: Honourable senators, I would like to have the motion in my name stand for two weeks; that is, until June 14.

Hon. Thomas Reid: This year or next?

The Hon. the Speaker: The notice stands.

STATUTES OF CANADA

NOTICE OF MOTION FOR COPIES OF ORDERS IN COUNCIL CONCERNING DISTRIBUTION

Hon. Jean-François Pouliot: Honourable senators, I wonder if it will take very long to

obtain the information asked for by motion No. 2. All that is asked for is production of copies of a few orders in council concerning the distribution of statutes. I am very anxious to have that information and I ask the Leader of the Government again to exert pressure on the Government to have these documents produced at an early date.

UNIVERSITY GRANTS

NOTICE OF MOTION RECOMMENDING THAT GOVERNMENT CONSIDER PAYING QUEBEC UNIVERSITIES GRANTS VOTED IN 1952-56

Hon. Paul H. Bouffard: Honourable senators, I would like motion No. 3, in my name, to stand until June 23.

The Hon. the Speaker: The notice stands.

PRIVATE BILL

ALLSTATE INSURANCE COMPANY OF CANADA —MOTION FOR THIRD READING—DEBATE ADJOURNED

Hon. William R. Brunt moved the third reading of Bill S-29, to incorporate Allstate Insurance Company of Canada.

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, May 25, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Hon. John J. Connolly (Ottawa West): Honourable senators, I am sure there are many of us who agree that we are indebted to the honourable senator from Toronto-Spadina (Hon. Mr. Croll) for having brought before Parliament and the country notice of a situation which has caused much concern. I refer to the practice prevalent throughout Canada on the part of some operators—and I expressly call them by that name—of exacting exorbitant charges and discounts from people who, usually, are poor or who are in distress because of sickness or perhaps because of business reverses. I am sure all of us know of examples where unconscionable amounts of money have been exacted on so-called loans, where usurious practices have been adopted and where discounts and other charges have created an intolerable situation for such people. We all know there are advertising practices which induce people to extravagance, to purchase things at a cost beyond their capacity to pay. I suppose we will always have such people in the community, and I think we should do everything we can within the power of Parliament to remedy this whole situation.

In studying this bill I have been torn between two extremes, one of considering the point of view I have just expressed, and the second of considering the question of whether Parliament has the power to do what the honourable senator from Toronto-Spadina has proposed. Perhaps he knows more about the constitutional position than I do, and I do not intend to dwell on it at any great length tonight. Because of the view I hold as to our capacity to deal with matters such as are contained in this bill, I think I would have preferred, had I introduced this subject, to have used the device we employ here, and I think to very good effect, of drawing the attention of the Senate to a certain situation and allowing a debate to proceed upon that basis. It is somewhat similar to the procedure followed in the House of Lords in moving for papers, and in that way starting a debate and later, with permission, withdrawing the motion.

Hon. Mr. Roebuck: There are no teeth in that.

Hon. Mr. Connolly (Ottawa West): I am coming to that point. What I think the honourable senator from Toronto-Spadina may have had in mind in presenting a concrete bill was that each individual senator would then have to take his responsibility on the question of whether the bill should pass.

"Finance charges" are described in the bill as "interest, fees, bonuses, service charges, discounts and any similar type of charge". The bill requires that a percentage relationship should be worked out between the finance charge and the principal obligation in terms of interest at so much per annum.

The first point I feel I would consider is the fact that if this bill is to be justified in the sense of being valid and constitutional, it must find its justification in one of three subsections of section 91 of the British North America Act. Those three subsections are 19, which deals with interest; 2, which deals with trade and commerce, and 27, which deals with the criminal law.

Interest is mentioned in the bill, but so too are fees, bonuses, and service charges. In my view, merely to call them interest, or to assimilate them to interest, does not make them interest. It is not my intention to burden the house with a lengthy and heavy dissertation on the legal position. If I were in court I would have to be a good deal more tedious than I propose to be on this point.

The Dairy Industry Reference Case in the Supreme Court of Canada, which is popularly

known as the "Margarine case", which is reported in 1949 S.C.R., page 1, for my purpose seems to collect most of the views of the courts both in this country and in England which bear upon this point. I should like to refer briefly to a few extracts from this case. First of all, I should like to quote Mr. Justice Estey at page 70 of that case, where he says:

> The prohibition of the manufacture and sale in section 5 (2) directly interferes with the freedom of individuals and corporate bodies to engage in the business of manufacturing or selling the specified food products, including oleomargarine and margarine. As such it is legislation in relation to property and civil rights within the meaning of section 92 (13), with respect to which the provinces have the exclusive right to legislate, unless the legislation in question may be held to be competent Dominion legislation within the other provisions of the B.N.A. Act.

I should like also to refer to a statement by Mr. Justice Kellock, at page 60 of the same report, where he says:

> ... the interference by the Dominion in the way of prohibiting the carrying on of a particular business by the inhabitants of a province, except upon terms laid down by the Dominion is an interference with civil rights in the province, a subject committed to the provincial legislatures under section 92(13).

A little further on he says this:

> ... the regulation of trade and commerce within the meaning of section 91 (2). In the Insurance case (1916 1 A.C. 588 at 596), Viscount Haldane said: Their Lordships think that as the result of these decisions it must now be taken that the authority to legislate for the regulation of trade and commerce does not extend to the regulation by a licensing system of a particular trade in which Canadians would otherwise be free to engage in the provinces ...

If I may make one more reference, Mr. Justice Kellock says this:

> What was said by Duff, J., as he then was, in delivering the judgment of the Privy Council in the Reciprocal Insurers' case (1924) A.C. 328, at 342, approved of in the Insurance Reference (1932) A.C. 41, at 53, is appropriate.

And this was what Duff, J. said there, speaking for the Privy Council:

> In accordance with the principle inherent in these decisions their Lordships think it is no longer open to dispute that the Parliament of Canada cannot, by purporting to create penal sanctions under s. 91, head 27, appropriate to itself exclusively a field of jurisdiction in which, apart from such a procedure it could exert no legal authority, ...

Honourable senators, as I see it—and I say this as strictly my own interpretation—I think that the measure before us this evening for consideration contravenes the provisions of section 92, subsection (13), which deals with property and civil rights and gives the provinces exclusive jurisdiction in that domain. Perhaps it may be oversimplifying it to say so, but if honourable senators will look at this bill they will see the word "interest" used, and Parliament has authority to deal with interest, but they will also see the words "fees, bonuses, service charges, discounts and any similar type of charge". These are all matters which we know are dealt with by contract within the provinces and which normally fall within provincial jurisdiction. To call them interest or assimilate them to interest, or to require them to be reduced to interest, in my humble opinion does not make them interest.

May I come to another branch of the bill? I approach it with some trepidation, because it is an economic discussion and I am not a professional economist. According to the report produced by the Bank of Canada statistical summary for March 1960, the amount of credit outstanding in Canada and extended to consumers by finance companies and retail dealers, as at December 31, 1959, was roughly $2,187,000,000. According to the budget papers which were presented in the other place the day before the budget was brought down, in the table showing the gross national expenditures—and the total was $34,593,000,000—the largest item in that table was for personal expenditures on consumer goods and services, and that item was $22,261,000,000. Now, I realize these figures do not fit the way a glove should fit a hand, but I think the two used in juxtaposition in this way will give honourable senators at least this idea, that of the $22 billion expended by Canadians for consumer goods and services in 1959, at the end of the year over $2 billion of that was still outstanding on credit. This is about 9 or 10 per cent of the total expenditure on consumer goods and services. I think it points up this, that credit is a very important item in the economy of this country. Whether this much credit is a wise situation to obtain in the economy is another thing, but that it is wanted I think there can be no doubt at all. If the credit is required and if it is wanted, then there will be charges imposed by the people who are going to supply it. They have services to perform, they have overhead, they have a business to run.

Now, I ask myself, who has arranged this credit? The answer to that, I think, lies mainly in the fact that it is arranged by the customers who go to make these purchases of consumer goods from the retail merchants of this country. I have tried to get an accurate estimate of the number of retail merchants today. The census of 1951 shows that there were 151,626 operating in Canada. The Dominion Bureau of Statistics officials, to whom I directed my inquiry, told me that they expect the number will be closer to 180,000

at the time of the census in 1961. These are the people, whether they be department stores, corner grocery stores, appliance stores, —the people who do the retail business of this country—who extend the credit. Perhaps honourable senators will be interested to know the distribution of these retailers. The food and beverage industry, over 65,000; general merchandising, 16,000; automotive dealers, 18,000; apparel and accessory dealers, 16,000; furniture and appliance dealers, 5,000; building materials, 7,000; drugs and health appliances, nearly 5,000. I am using round figures. According to that census there are 8,700 retail merchants in Toronto, 11,000 in Montreal, 1,400 in Edmonton, 4,000 in Vancouver. There are various ways in which you can count these people and indicate their distribution. These are the people who extend the credit to the purchasing public.

How is this credit distributed? Well, I find that of the $2,187,000,000 worth of credit outstanding at the end of 1959, $729 million was held by instalment finance companies, $479 million was held by small loan companies, $315 million was held by department stores, and the other retailers of the country held $601 million.

The banks are not specifically mentioned in this particular table, and I think I need not deal specifically with them here except to say this, that if bank credit is too broadly extended, presumably the provisions of the Bank Act are available for amendment. I do not propose to deal with the small loan companies either, because presumably they should be controlled by the Small Loan Companies Act. There are four small loan companies, and there are 75 licensed money lenders, all licensed under that act, and presumably the control, if this Parliament can exercise it, should be provided for in the legislation which affects this type of institution.

I come back to the three remaining organizations which hold the balance of this credit. The retailers hold $601 million of it: Of this, $273 million is instalment credit and $328 million is on their ordinary charge accounts. The department stores hold $315 million of this credit; their charge accounts represent $64 million, instalment credit $251 million. Then, the instalment finance companies hold $792 million.

The point that I wish to make at this juncture of my remarks is this, that the instalment finance companies do not deal directly with the purchaser. The purchaser goes to the retailer to make his purchase of consumer goods and it may be that he will finance it. If he does, his dealer first of all takes his contract, and if the finance company agrees to come into it, he in turn will assign to the finance company.

The point I desire to make particularly, honourable senators, is the fact that this measure is not going to reach the finance companies. This bill is going to affect the man who deals with the public, the man who deals with the buyer. It is going to affect the retailer primarily.

I say this bill is going to impose a burden upon the retailer to make the computation required by the bill. Honourable senators will remember that a few nights ago the honourable senator from Toronto (Hon. Mr. Hayden) referred to an example which was presented to a U.S. Senate committee, similar to committees we have in this house. It was the case of a transaction in which a man desired to buy a $20 battery on time at 4½ months, and the charge was $2 for the period. Economists, men in the senators' offices and specialists were asked to compute the interest rate per annum on this. Apparently none of these people could do it with any precision. The results varied from somewhere in the neighbourhood of 90 per cent to 135 per cent. I say that if a measure of this kind should be imposed on the retail dealers of this country, the thousands and thousands, the 180,000 almost, small businessmen of this country, they would require a book about the size of the Montreal telephone directory to work out the annual interest rate as required by this bill. Such a requirement imposed upon these people would create a burden which they should not be asked to assume. I think I speak on behalf of these thousands, these hundreds of thousands of small retailers when I say this.

Now I have spoken about the position of instalment finance companies. I must say that I now know very little about these conditional sales contracts. I had a lot to do with them when I studied law, but that was a great many years ago. But I have looked at a few recently and I have found that the disclosure, certainly in dollars, required to be made by the dealer when he sells on time and uses one of these contracts, is a pretty full disclosure of the kind of thing that the honourable senator from Toronto-Spadina would require to be given through this bill. Of course, they do not require the reduction of the full amount payable on charges to interest at so much per annum. The amount paid down, the value of the turn-in, the amount of the monthly payments or the payments at other times if they are not monthly instalments, are all provided, and by and large the retail dealers in this country use these forms, and use them as required by the finance companies because they may have to turn

these contracts into the finance companies, assign them to them in order to get the money to finance their continuing operations.

There is another point that I would make and then I would stop. The honourable senator from Toronto said the other night that this field of legislation has been occupied in part in some of the provinces. He gave a specific example of Alberta. I am not too familiar with the Alberta legislation. I know in a general way what it provides and I say that legislation has not been challenged successfully in the courts of that province. I have looked up the province of Quebec Civil Code, article 1561 (a), which deals with these matters. It occupies this field, and requires rather full disclosure on loans of less than $800. I think most of these loans—other than these exorbitant second mortgage problems I mentioned earlier—most of these time purchases are probably in the area of $800. The Quebec legislation occupies that field, and I think occupies it quite effectively.

I am not, frankly, too enamoured with the kind of legislation we have in Ontario, because that legislation requires the person who feels that he has been "done in" by one of these loan sharks to go to the courts on his own initiative to have the transaction set aside.

Now if the unconscionable transaction were prohibited by provincial law, where I think it belongs, the public would be more reassured and, I think, better protected.

Honourable senators, I hope I have not wandered too much. I think, however, for the reasons I have given, I should not be able to vote in support of this measure.

Hon. John G. Higgins: Honourable senators, I am not conversant enough with this subject to discuss the constitutional aspect of this bill, but it is my opinion that some effective law should be passed to protect the ordinary individual, who is short of money, from heavy usury.

If we read the accounts of cases in various cities in Canada as set out in newspapers and magazines we must come to the conclusion that there must be a large number of poor individuals who have been victimized by what we call in these days loan sharks.

The worst part of all in this business of lending money, as was mentioned by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), is that the public are encouraged to waste money and not to be thrifty. It is a bit nauseating to hear over the public instruments of communication—the television and radio—advice being given to the public that if they want to pay their debts they should borrow money to do it. The public is so gullible they do not realize that after they borrow the money they are heavier in debt. They fail to appreciate that when they accept the invitation to borrow any amount of from $150 to $2,500, and to take three years to repay it, they do not pay back the amount they borrowed, but rather that amount plus interest. The result is that they are worse off when the day of reckoning comes.

I was very much surprised to hear mention made by the honourable senator from Toronto (Hon. Mr. Hayden) of a recent judgment in the Supreme Court of Canada about this subject. I have not read that judgment yet, and perhaps if I did so I would see the reasoning behind it. The honourable senator said that the kickback of a certain amount of money on a loan does not come under the Unconscionable Transactions Relief Act, because in such a case there are two separate transactions, not allied with each other. He gave an instance of a man who borrowed the sum of $15,000. The lender would loan $15,000 and the borrower would hand back to him $3,000. In strict law that might be said to be two transactions, but in reality it is only one transaction. The fact is the borrower gets $12,000. I am told the usual kickback is 25 per cent. If a lender is to get 25 per cent interest in advance, he is going to see to it that that money is paid to him, and he does not hand over the full $15,000 to the borrower on the chance that he is going to be handed back $3,000. So, I say, there is really only one transaction.

I must say it is most surprising to me to hear that a lender usually gets a bonus of 25 per cent, and 7 per cent interest on a second mortgage. Where a loan is repaid on instalments and interest on the full loan is charged until repayment, the 7 per cent becomes more like 12 per cent by the time it is repaid. If a person wants to get hold of a nice piece of property or some real estate, let him get a second mortgage and it will not be long until he owns the building.

The bill does not seem to me to be exactly proper. I feel it goes too far in some cases and not far enough in others. For instance, it seems to involve too many companies and associations. I do not think that trust companies, insurance companies and such dealers who advance money at ordinary interest rates should come within the purview of the bill. Moreover, the bill should set out the parties who should be put to the trouble of supplying the required information. It should not include the small traders. I shall not enlarge further on that aspect of the matter, because it has been fully covered by the remarks of the honourable senator from Ottawa West (Hon. Mr. Connolly). I believe the payment of a

kickback or a bonus should be made amenable to the Unconscionable Transactions Relief Act, and that the interest charges should be on the unpaid balance, made up every six months or every twelve months, and the borrower should have the right to pay off the loan at any time. If the borrower has to continue his payments over three years and pay interest on the full loan for that period, he may never pay the loan off. If he is to be encouraged to borrow money he should also be encouraged to pay it back.

Much has been said about provincial legislation such as the Unconscionable Transactions Relief Act and other acts. This legislation must be very ineffective if the cases about which we read in newspapers and magazines really happen. If these acts are as described, why do such cases take place? I have read of many such cases in *Liberty* and other publications.

Since Confederation of Canada and Newfoundland I have learned much about the financial structure of this country and the manner in which loans are made. In the light of what I have learned, I am amazed that Newfoundland was able to carry on at all. In past years the merchants of that province have been called crooks, robbers and loan sharks, but, compared with the moneylenders of other areas, the merchants of Newfoundland appear to be archangels. They did not go in for moneylending; true they may charge 6 per cent on an overdue account, but that is just what the bank charges them on their borrowing. I say our merchants were amateur gentlemen on the broad highway of commerce. Nevertheless, we existed and we appear to have had a happy life in that country. We had a usury law down there, but we rarely got involved with it. When bills became twelve months overdue, usually a dunning letter was sent out, and the customer was warned that he would be charged 6 per cent interest on the amount owed. Therefore, I think the merchants of Newfoundland have been treated much too harshly. Certainly, they could not be regarded as robbers or loan sharks. We may have been babes in the financial woods down there, but we were happy babes to have been free from the sinister procedures of loans and borrowings as exist here today.

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

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, may I ask that Order No. 4, second reading of Bill C-60, to amend the Northwest Territories Act, be placed first on the Orders of the Day tomorrow; and that Order No. 5, second reading of Bill C-59, to amend the Yukon Act, be placed second.

Hon. Senators: Agreed.

PRIVATE BILL

WABUSH LAKE RAILWAY COMPANY LIMITED AND ARNAUD RAILWAY COMPANY—AMENDMENT NEGATIVED—THIRD READING

The Senate resumed from Thursday, May 26, the adjourned debate on the motion of Hon. Mr. Vien to amend clause 6 of Bill S-24, respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

Hon. Arthur W. Roebuck: Honourable senators, may I be allowed to waive my present right to proceed with the debate to the honourable senator from Hanover (Hon. Mr. Brunt), the sponsor of the bill, whom we wish to hear, and may I relinquish my position without sacrificing the right to say something later?

Hon. Senators: Agreed.

Hon. William R. Brunt: Honourable senators, first I want to thank the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) for moving adjournment of the debate on Thursday last, when, by reason of circumstances beyond my control, I found it impossible to be present in the chamber. The circumstances related to a wedding, and, as honourable senators know, weddings wait for no man or time.

I should like to review very briefly the history of the bill and to outline exactly what has taken place in connection with the bill from its second reading on. After the bill received second reading, on the 17th day of March last, it was referred to the Standing Committee on Transport and Communications. One week later, on the 24th day of March, the bill came before the committee, and that entire morning was taken up in hearing, first those who supported the bill and, secondly, those who opposed it.

Finally, the hearing before the committee was adjourned, to reassemble at the call of the Acting Chairman of the committee when further evidence was to be made available to the committee. In the meantime it was felt that all members of the committee, and others who were particularly interested in the bill, would have an opportunity of studying the proceedings which had taken place that day, which were taken down in shorthand and which were, in due course, to be printed and distributed to all honourable senators.

What I say now is not said in any critical manner, but I just want to get all the facts before this honourable body. Owing

to the fact that counsel who opposed this bill had made an arrangement to take an extensive holiday, the next hearing before the Standing Committee on Transportation and Communications did not take place until May 12.

Hon. Mr. Macdonald: The Easter vacation intervened.

Hon. Mr. Brunt: The Easter vacation came in there, but the first postponement was caused by this holiday that had been arranged. I am not criticizing this in any way, but that is what took place.

Hon. Mr. Macdonald: Yes, but there were four weeks in which the Senate did not sit.

Hon. Mr. Brunt: But, it is almost eight weeks from March 29 until May 12.

On May 12 a number of witnesses were heard, and a subcommittee was appointed, composed of the Honourable Senators Hugessen, Euler, Vien, Farris and myself to deal with the matter of amendments and to bring in a report with respect to amendments.

The committee met later the same day and Honourable Senator Hugessen was chosen chairman. It was agreed unanimously that two amendments should be made to the bill. The first amendment was on page 2, in line 4, where the subcommittee recommended that the words "herein contained" be struck out and that there be substituted in their place the words "in this act". The second amendment which was recommended by the subcommittee was to clause 4, on page 2, in line 38, and this amendment was as follows:

Strike out the period and add the words: "provided that nothing in this act shall release either of the companies from any of its contractual obligations".

The bill then, for a third time, came before the committee on May 19. The subcommittee's report was presented by its chairman, the honourable senator from Inkerman (Hon. Mr. Hugessen). Considerable discussion took place, and a great many honourable senators felt it would be better draftsmanship to place the second amendment in a new and separate clause in the bill which would be known as clause 6. Accordingly, it was moved that the second amendment proposed by the subcommittee should be added to the bill as a new clause, clause 6, and to read as follows:

Nothing in this act shall release either of the companies from any of its contractual obligations.

All honourable senators will realize that from March 24 to May 31 is an exceptionally long time to spend considering a bill of this type. Further, I think it should be pointed out—and I think I am being quite fair when I say this—that a major portion of the time was used up in order to hear the representations and submissions which were made by those who opposed the bill.

Honourable senators, on its face this bill would appear to be a simple and proper one. These two provincial railways—

Hon. Thomas Reid: There is nothing simple about it.

Hon. Mr. Brunt: —are requesting that they be brought under the jurisdiction of the Railway Act and the Board of Transport Commissioners of Canada in order that the freight rates to be charged for the movement of ore from a large development in the province of Newfoundland be fixed by the board. To me this is a very simple request, and I am sure that all honourable senators will agree that it is a proper request and that jurisdiction should be given to the Board of Transport Commissioners to fix proper rates in a situation such as this.

Hon. Mr. Pratt: May I ask the honourable senator a question? Having regard to the fact that one of those companies is incorporated by act of the Legislature of Newfoundland, has any information as to the attitude of the Newfoundland Government in relation to it been obtained?

Hon. Mr. Brunt: I will deal with that later, if the honourable senator does not mind.

Hon. Mr. Isnor: I wonder if the honourable senator will permit a question before he gets into his argument. With respect to the report made by the subcommittee, would the honourable senator be good enough to advise this house whether these agreements that are referred to were before the subcommittee when it made its recommendation?

Hon. Mr. Brunt: I do not recall whether we had before us the act passed by the Legislature of Newfoundland to which the agreement was attached, but I can say to the honourable senator that the act and the agreement were referred to very extensively at the hearings which took place before the subcommittee met.

Hon. Mr. Isnor: I quite agree, but my question is whether those agreements were before the subcommittee or before the committee as a whole.

Hon. Mr. Brunt: They were before the committee as a whole.

Hon. Mr. Macdonald: Oh, no.

Hon. Mr. Brunt: Yes, the agreement that was attached to the act passed by the Legislature of Newfoundland was before the committee as a whole.

Hon. Mr. Macdonald: At what page does it appear in the evidence?

Hon. Mr. Reid: That is news to me.

Hon. Mr. Brunt: I saw the agreement, our Law Clerk saw the agreement, and several members of the committee saw the agreement. That is all I can tell you on that.

Hon. Mr. Macdonald: If it was presented to the committee it would appear in the evidence. I am asking the honourable gentleman at what page it appears.

Hon. Mr. Brunt: The answer is that it is not part of the record.

Now, to continue, a logical question to ask is: Who is opposing the bill? I have been advised by the sponsors of the bill that the province of Newfoundland is not opposing the bill and, further, that the province of Quebec, which is the second province concerned with this bill, is not opposing it either.

Hon. Mr. Pratt: May I ask whether any information has come directly from the province of Newfoundland with respect to this bill?

Hon. Mr. Brunt: To me, no.

Hon. Mr. Pratt: Or to anyone on the committee?

Hon. Mr. Brunt: No. I just have the statement of the sponsors of the bill.

The bill is also being opposed by a competitor of the sponsors which is now engaged in the production of iron ore in the same vicinity, and a competitor which is the owner of the only logical and federal railway which will be used partly to move these ores from this development which is now taking place in the province of Newfoundland. I think it is fair to state that this competitor raised every possible objection to the bill when it was before the Standing Committee on Transport and Communications, and to me the only objection which had any possible substance was the one to the effect that this bill might relieve the two railway applicants from their present contractual obligations.

May I point out to honourable senators that counsel for the two railways applying for the passing of this bill said, in their statements, that this was the furthest thing from their minds, and that if any contractual obligations actually existed at the time this bill was being passed there was no desire on their part to avoid any of them, or to be relieved from carrying out all their contractual obligations. I think nothing can be clearer than a statement which is to be found in the printed proceedings at page 68. This statement was made during the hearing which took place on May 12 by Mr. DeRoche, one of the counsel appearing for the applicants, and it is as follows:

> ...we don't intend to be relieved of anything, and we feel confident we have not relieved ourselves of anything.

The sponsors of this bill instantly consented to all the amendments which have been suggested which would make it clear beyond the shadow of a doubt that they were not to be relieved of any of their contractual obligations, despite the fact that in their view they are liable for all their contractual obligations that are now existing, whether or not the bill is amended.

On the other hand, let us for a moment look at the position taken by those who opposed the passing of this bill. From the very beginning they opposed the principle of the bill. They did not want these two railways to have the right to go before the Board of Transport Commissioners in order to have rates fixed. I am not critical of Mr. O'Brien for taking the position he did, for he was instructed to do so by his clients, the objecting companies. He was completely frank in stating that no amendment to this bill would satisfy his clients.

In this regard I would like to refer honourable senators to the bottom of page 57 of the printed proceedings of the Standing Committee on Transport and Communications, at the hearing of May 12, where I stated:

> As it is proposed. Let me put it this way: Mr. O'Brien is opposed to these railways being brought under federal jurisdiction. These railways have asked to be brought under federal jurisdiction. No amendment by a subcommittee can get around that situation.
>
> Mr. O'Brien: That is a very fair statement of my position, and I do not want to detract from it by one comma.

Under these circumstances I think it is abundantly clear that the opposition to this bill from a competitor is opposition of a type which is directed to prevent these applicants from being able to go before the Board of Transport Commissioners in order to have rates set that will be fair and equitable and just for all concerned.

I humbly suggest to honourable senators that one of the ways to prevent this bill from passing is by delay. I do think there has been a great deal of delay in connection with it, and I do not feel that the passing of the bill should be delayed further.

The honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has suggested, and quite properly, that this bill ought not to limit the rights and powers of the Board of Transport Commissioners—

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Brunt: —as exercised under the provisions of the Railway Act. I suggest to

honourable senators that there is no real danger of any such limitation occurring even if the bill is amended. Counsel for the sponsors of the bill have pointed out that there is no agreement now existing between the parties with respect to rates and I want to assure all honourable senators present this evening that positive assurance has been given to me by the sponsors of this bill that there is no agreement in existence at the present time with respect to the fixing of rates.

In regard to the suggestion made on Wednesday last by the honourable senator from Mille Isles (Hon. Mr. Monette) that the provisions of section 6 should be limited to actual, contractual obligations in existence at the time of the enactment of this bill, I might state that the sponsors have no objections to this particular amendment. The sponsors have asked me to make it very, very clear that under no circumstances do they want to do anything that would in any way relieve them of any of their present obligations. That is the furthest thing from their minds.

Hon. Mr. Macdonald: Is the honourable gentleman suggesting an additional amendment at this time?

Hon. Mr. Brunt: No. I am just stating that if this house feels these words which were suggested by the honourable senator from Mille Isles should be added to the bill in order to make it even more clear that the sponsors of the bill cannot avoid their present contractual obligations, then the sponsors have no objection.

Hon. Mr. Croll: You will have to send the bill back to committee in order to have that dealt with. You cannot do it here.

Hon. Mr. Brunt: I have an authority to the effect that it can be done here.

Hon. Mr. Croll: You cannot deal with it on the floor of this chamber. If there are further amendments they have to be dealt with in committee.

Hon. Mr. Brunt: In October of 1957 we dealt with a similar situation in this house. I can give honourable senators the precedent for it.

Hon. Mr. Macdonald: You probably could deal with it in the chamber if it were a simple amendment, but not when there is a complicated amendment such as this.

Hon. Mr. Roebuck: I cannot recall any occasion when we have adopted a controversial amendment on third reading of a bill. It is usually just some correction of a typographical or drafting error.

Hon. Mr. Aseltine: I think we have adopted similar amendments in this house many times. The motion is "that the bill be not now read the third time but be amended as follows" and so on. This procedure has been followed time and time again in the 25 years that I have been in this chamber.

Hon. Mr. Macdonald: Probably with the consent of the house, but surely it is not provided for in the rules of this house.

Hon. Mr. Brunt: Honourable senators, you will have an opportunity to vote on the amendments which have been put forth.

Hon. Mr. Macdonald: You are suggesting that there should be other amendments?

Hon. Mr. Brunt: No. I am saying that if the house wants to amend this bill the sponsors will agree to all reasonable amendments.

Hon. Mr. Croll: You have talked yourself into an amendment, I think.

Hon. Mr. Brunt: No.

Hon. Mr. Macdonald: What is the objection to having the bill referred back to committee?

Hon. Mr. Brunt: The objection is to the delay. We hope to get the bill over to the other place by Friday of this week. We have been on this bill now since March 17. I would just like to say that the sponsors of the bill are prepared to accept the amendment proposed by the honourable senator from De Lorimier (Hon. Mr. Vien), if the chamber decides in favour of it.

Hon. Mr. Macdonald: And any other amendments we would like to make.

Hon. Mr. Brunt: No, I did not say any other amendments. I said that if the house desires to add the suggested words so that the amendment applies to only the contractual obligations that exist at the present time on the part of the sponsors of the bill, the sponsors are prepared to accept them. If the amendments are not acceptable to this house, the sponsors of the bill are quite prepared to take the bill as it was reported to this house by the committee.

I am hopeful that this honourable body will deal with the amendments tonight and dispose of them so that we may have an opportunity of proceeding to the third reading of the bill.

Hon. Mr. Isnor: I would like to ask a question with regard to these agreements. I might appear over-persistent, but I am anxious to clear up a point. Are there any agreements signed at the present time?

Hon. Mr. Brunt: The only signed agreement I know of is the one that is attached

to the act passed by the Legislature of Newfoundland, and that agreement has nothing whatsoever to do with rates.

Hon. Mr. Isnor: My honourable friend from Hanover (Hon. Mr. Brunt) has continually referred to agreements, and agreements are mentioned in the bill. I will repeat my question. I think it is rather simple. Are there any agreements existing at the present time which have been signed?

Hon. Mr. Brunt: The only agreement I know of is the one that has been referred to.

Hon. Mr. Isnor: That is part of the bill?

Hon. Mr. Brunt: Yes.

Hon. Mr. Isnor: That is not an agreement between the two parties.

Hon. Mr. Brunt: Oh, yes, it is made an appendix to the bill.

Hon. Mr. Reid: I only want to say that during the entire discussion very few members of the committee fully understood what it was all about. I am speaking for myself. It was a very complicated bill. However, I am rising in reply to the honourable senator from Hanover (Mr. Mr. Brunt). I would like to know the customs of Parliament as to whether we can substantially amend a bill on third reading without sending it back to committee. My recollection is that in the other place it cannot be done. We should be very careful not to set a precedent. I think the Senate is entitled to know if the procedure is officially correct.

The Hon. the Speaker: According to my interpretation of the rules of the Senate, I believe this chamber has full power to amend any bill at any time, on either second or third reading.

Hon. John T. Haig: Yes, at any time. The point is that in committee we appointed a subcommittee of five members, as able as any members of this house, to deal with this whole problem, and they brought back a unanimous report. The matter was discussed in committee, and we agreed to it. I admit that legally this matter can be brought up here, but what can be the object unless it is to delay the bill? Personally, I do not want to delay the bill. As I said in committee, I want these companies to spend these millions of dollars in Canada.

Hon. Mr. Macdonald: This won't hold up the bill for one minute.

Hon. Mr. Haig: There were on the subcommittee three very able lawyers, one from Vancouver and two from Montreal. The subcommittee dealt with this whole thing and not only brought back a unanimous report but urged that it be put through. I admired the able manner in which the honourable senator from Inkerman (Hon. Mr. Hugessen) handled the matter.

Honourable senators, I do not think we should delay the bill. The other house is fighting to get through. I also want to point out that we from the west, as well as others from the east, often sit around here day after day when we would like to be working in this house, but we cannot do so because we give senators from Montreal and Toronto, and other parts of Quebec and Ontario, holidays on Fridays and Saturdays, and sometimes Mondays and Tuesdays as well. I think this bill should go through, because I trust the three lawyers I have mentioned. They went into the whole matter legally, and we are satisfied. I know I am satisfied. I honestly think we should give the bill a chance. If you do not want to pass the bill, well, vote against it; that is done easily enough.

Hon. Mr. Croll: Honourable senators, I rise on a question of privilege. The honourable gentleman from Winnipeg (Hon. Mr. Haig) spoke of giving those of us from Toronto and Montreal a holiday on certain days. I think it only fair to let him know, and to let the country know, that when there is business to be done we are here to do the business.

Hon. Mr. Bouffard: Hear, hear.

Hon. Mr. Croll: When there is business to be done the members from Toronto and Montreal are here to do the business, and too often we also sit around without having anything to do.

Hon. Mr. Haig: I recall the days when we had no Thursday adjournments at all. We sat for a straight five days, and adjourned for two weeks.

Hon. Mr. Croll: That is the point—adjourn for two weeks.

Hon. A. K. Hugessen: Honourable senators, perhaps I ought to say a few words on this matter, since my name has been mentioned as chairman of the subcommittee. The amendment which the subcommittee unanimously suggested to the bill, and which was concurred in by the honourable senator from De Lorimier (Hon. Mr. Vien) who moved a further amendment on third reading, contained this phrase, which was finally incorporated as a sixth clause in the bill:

> Nothing in this act shall release either of the companies from any of its contractual obligations.

The reason we suggested that amendment was that representations were made to us by counsel for the opponents of the bill to the effect that the bill in its original form

might conceivably release these companies from certain obligations that they had undertaken under the Newfoundland legislation. That was an argument put forward by the very able counsel for the opponents of the bill, an argument with which personally I did not agree, for I did not think that the bill could be so interpreted; but the committee felt, that, if there was any doubt about it, let us put a clause in to the effect that nothing in the bill shall affect these contractual obligations; and that is what we did.

Now, the further amendment proposed by the honourable senator who moved the amendment on third reading last week simply adds to our suggestion the following words:

, the Railway Act or any other act notwithstanding.

So the new clause would read as follows:

Nothing in this act shall release either of the companies from any of its contractual obligations, the Railway Act or any other act notwithstanding.

Now, frankly, I do not think that the subamendment adds anything to the amendment, nor do I think it takes anything away from the amendment. It may conceivably make it a little clearer than it was before, but it is not of a controversial type, in the sense that the sponsors of the bill have not objected to it.

If you refer the bill back to the Committee on Transport and Communications, of which I happen to be chairman, I can tell you at once what is going to happen. The committee will report back to you and they will say, "Well, we don't object to this subamendment. We don't mind whether it is passed or not, but we support this bill with the amendment and either with or without the subamendment". That is all that will happen.

It is perfectly clear, honourable senators, and it was quite clear to us in committee, that there were two opposing interests in this whole matter. One was in favour of the bill for its own reasons, and the other was against the bill for its own reasons. I am not concerned, and I do not think the Senate need be concerned, with the reasons in the minds of the proponents of the bill or of the opponents to the bill, provided we can find some matter of public policy which should lead us either to pass the bill or to throw it out. I think there is a very distinct matter of public policy which, in my judgment, and I may be wrong, leads me to support this bill. Here you have a situation where in the province of Newfoundland, away up in the backwoods, is a 40-mile line of railway which connects with the main line of the Quebec North Shore and Labrador Railway. There at the other end of the Quebec North Shore and Labrador Railway near the St. Lawrence you have a short 20-mile line to be owned by the other proponent of this bill, the Arnaud Railway, entirely in the province of Quebec. You are going to have an extremely important railway operation carried on over that line. It will start at the end of the Wabush line where the mine is to be. It will take heavy mineral trains over that 40-mile line to the railway of the Quebec North Shore and Labrador Railway. It will carry it down over that second railway for about 200 miles. Then it will switch off for 20 miles to the Arnaud Railway to the new port which these proponents propose to build on the St. Lawrence River.

As matters stand today, you have three separate railways, each of them under separate control so far as regulation is concerned. The Wabush Railway is in the province of Newfoundland entirely, and it is subject completely to the jurisdiction of the province of Newfoundland, which incidentally we were told in committee has no legislation with regard to any provincial railway board or any other body of that nature. The middle railway, the Quebec North Shore and Labrador Railway, which runs between Schefferville and Seven Islands, is a federal railway, and is subject to the jurisdiction of the Board of Transport Commissioners. The little railway down to the St. Lawrence, though, the Arnaud Railway Company, is under the control of the province of Quebec, which has a provincial board of railway commissioners.

Now, this is the absurd position that is going to be set up: there will be one railway operation, and an important railway operation, that will be subject to no less than three separate regulatory authorities, unless this bill is passed. All that is done by passing this bill, by declaring these two provincial railways to be works for the advantage of Canada, is to bring them under the jurisdiction of the Board of Transport Commissioners, and I suggest that there is a public interest in that being done from the point of view of safety of the employees, from the point of view of working regulations, and from the point of view of signals and everything else. It should be under the control of one board. That, I think, is really a matter of considerable public interest and that is why I think the bill should pass.

The honourable senator from St. John's West (Hon. Mr. Pratt) asked a few minutes ago whether the province of Newfoundland had any objection to the bill, and of course the question might arise in the minds of other honourable senators as to whether the province of Quebec had any objection to the bill. We were told in committee that neither province had any objection whatever. As

honourable senators have heard, the hearings on this bill have extended over more than two months, and I can assure you that if the opponents of this bill had been able to get either the province of Newfoundland or the province of Quebec to oppose this bill they certainly would have done so.

I do not want to interfere in any way with the private fight that is going on between these two companies. As a matter of fact, some of you may recall that eleven years ago—I think it was at the request of the opponents of this bill—I introduced and explained to the Senate on second reading the bill to incorporate the existing railway, the Quebec North Shore and Labrador Railway.

Hon. Mr. Isnor: What happened to that bill?

Hon. Mr. Hugessen: It went through unanimously.

So all I can say is that while I have no interest in the dispute between these two parties, I do think there is a very real public interest in the passage of the bill which the Senate ought to take very seriously into consideration.

Hon. W. Ross Macdonald: Honourable senators, I feel that I should say a few words in connection with this bill. I am in the very strange predicament that when this bill was first presented to the committee, and the applicants explained their case, I said: "Well, what is wrong with the bill? It is a good bill, let us pass it." But when I heard the opposing side I thought: There is something wrong; we have not got all the information; we will have to look into this very carefully. I was quite satisfied, honourable senators, that we did not have all the information at the end of the first sitting, and I was quite satisfied that we did not have all the information at the last sitting. I said—I do not know if I used these exact words—"I do not want to defeat this bill but I feel we should have more information," and I suggested that the committee should adjourn for two weeks in order to give these two companies another chance to get together. They are two large companies. I understand the amount of money involved comes to about half a billion dollars —I have been told that, but I may be wrong.

These two companies have to live together for many years. They are developing part of our country, in the same district. Why should they not get together now and start off rightly? They are going to be working side by side, and I understand from what I heard in committee that they did start out as friends —if my memory serves me correctly—that the opposing interests were about to apply for a federal charter and someone approached them, I do not know who it was, and said—

Hon. Mr. Hugessen: The province of Newfoundland.

Hon. Mr. Macdonald: The province of Newfoundland, my honourable friend advises me, approached the opposing parties of today and said to them: "Do not apply for a federal charter. Come with this other company and apply for a provincial charter under the province of Newfoundland." So the opposing parties of today went along, withdrew their application, if it had been filed—in any event they did not proceed with it—entered into an agreement with the railways named in this bill, and took out a charter in the province of Newfoundland, and attached to that charter there is an agreement between these two companies. Now, honourable senators, I was not persuaded in committee, and I have not been persuaded since, that there was no understanding at that time between all these companies that they would not make an application for a federal charter. And what do we find ourselves faced with now?

Hon. Mr. Brunt: May I ask the honourable senator just one question?

Hon. Mr. Macdonald: Yes.

Hon. Mr. Brunt: If there was any agreement such as that, don't you think it would have been brought forward by the people who were opposing this bill?

Hon. Mr. Macdonald: That agreement was not in writing, but it was not denied in committee. If it was denied, I ask my friend to show me the words in the written report. It was not denied in committee that there was not an understanding that there would not be an application for a federal charter.

Hon. Mr. Roebuck: What was the consideration?

Hon. Mr. Macdonald: I do not know what the consideration was.

Hon. Mr. Roebuck: Was it a statement, then, of intention?

Hon. Mr. Macdonald: A statement of intention. Well, it was a verbal understanding. One company pulled out and said, "We will apply for a federal charter in spite of the agreement that no one of us will apply for a federal charter," and as soon as they got their provincial charter one of the companies goes along and applies for a federal charter. Do you wonder, honourable senators, that I am a little suspicious?

Hon. Mr. Brunt: I do not think there was any written agreement.

Hon. Mr. Macdonald: Well, that was my impression and that was my impression to the very end. Another thing that bothered

me was, why was not the agreement produced? The agreement is a part of the charter that was granted by the province of Newfoundland. Why is it not on the record? Why are we in such a rush to put this through without knowing all the facts?

Hon. Mr. Brunt: Is it a rush, after spending over nine weeks on this bill?

Hon. Mr. Macdonald: Then why has there been a delay of over nine weeks in bringing this forward? This house is entitled to know what is in that agreement, or are we not entitled to know it?

Hon. Mr. Thorvaldson: If that agreement was important and was the reason for not passing this bill, why in the world did the opponents of this bill not bring that agreement to the attention of the committee? I know Mr. O'Brien, he is a very able lawyer, and certainly he would have brought such an agreement to the attention of the committee.

Hon. Mr. Macdonald: I have no interest in either of these companies, but I would like to know from both of them what they are hiding from us, what they are keeping back.

Hon. Mr. Choquette: You should not be worried about that.

Hon. Mr. Macdonald: But I am worried about it.

Hon. Mr. Aseltine: Why?

Hon. Mr. Macdonald: I think that a committee of this Senate should know what the facts are in connection with this matter before we pass the bill.

Hon. Mr. Brunt: I think all parties have made a full disclosure.

Hon. Mr. Macdonald: The parties have not been open with us.

Hon. Mr. Brunt: In other words, you are saying that all the parties who appeared before this committee did not make a full disclosure, is that correct?

Hon. Mr. Macdonald: I say we did not get from the parties the whole story, and I want it before I shall be prepared to vote for this bill. I would not like to vote against the bill, but I want to get the full story. I do not want to be either for or against it, but I want to know everything, so that I can make up my mind.

Hon. Mr. Haig: Question!

Hon. Mr. Macdonald: My friend says, "Question." Honourable senators, we can wait a little while. I think I should have the opportunity of saying what I think about the bill. I want to know all the facts, so that I can make up my mind. Other honourable senators have spoken on it, and I do not think my honourable friend wants to close me off.

Another matter that bothers me is, why did we not get the views of the province of Newfoundland and the province of Quebec? My honourable friend from Inkerman (Hon. Mr. Hugessen) says that if Newfoundland was against the bill, why did somebody not come forward and prove it? I say, if Newfoundland is for the bill why did somebody not come forward and prove that?

Hon. Mr. Brunt: Would it not be possible that both provinces decided to take a position of neutrality and stay out of the quarrel?

Hon. Mr. Macdonald: That may be what is happening, but that is what we don't know. We don't know whether Newfoundland is for it or against it; we don't know whether Quebec is for it or against it. In fact, we are completely in the dark in that respect.

Hon. Mr. Bouffard: Is there any way in which we can force the province of Newfoundland or the province of Quebec to come forward and express an opinion?

Hon. Mr. Macdonald: I think we could get an opinion from those provinces, and that is one more reason why I think the bill should go back to committee. To send it back would not hold the bill up for very long.

Hon. Mr. Brunt: In committee you suggested it be held up for two weeks.

Hon. Mr. Macdonald: Here we are, at the last day of May; it is suggested that Parliament may prorogue in the middle of July, and we have six weeks to go. Yet, we are asked to vote now on this bill on which we do not have all the information—information which I say we could get in a very short time.

Hon. Mr. Brunt: How?

Hon. Mr. Macdonald: By sending the bill back to committee.

Hon. Mr. Brunt: But how do we go about getting it when we send the bill back to committee?

Hon. Mr. Macdonald: In the first place, we can bring these people here and find out what is in the agreement. That is the first thing to do, and it is a simple matter. Secondly, we can get in touch with Quebec and Newfoundland and find out what their feelings are with respect to our difficulties.

Hon. Mr. Brunt: What will happen if they express no opinion?

Hon. Mr. Macdonald: If they express no opinion we will at least know that much.

Hon. Mr. Brunt: And we will be back in exactly the same position we are now in.

Hon. Mr. Macdonald: We can at least make up our minds. If they express no opinion we will know that they are not interested. As matters now stand, we don't know whether they are interested or not.

I would not want to vote against this bill at the present time, with the limited information that I have, and I am sure honourable senators would hesitate to vote against it with their limited information. But I do not see that we have any alternative, if it is insisted that we vote on third reading. If we get the information, we can come back to the house and vote intelligently on the bill.

The amendment proposed is a detailed one. While I never question the rulings of His Honour the Speaker, I do not think it is in keeping with the practice of this house to discuss a detailed amendment when His Honour is in the chair. I am sure His Honour the Speaker and all other honourable senators will agree that such a discussion is primarily the work of a committee. That is why a bill of this nature is sent to committee. We in this house do not follow the practice of the other house, in which a debate of this kind could not take place with His Honour the Speaker in the chair. Apparently, the rule here—

Hon. Mr. Aseltine: That is not the rule here.

Hon. Mr. Macdonald: My point is, it would be much better either to deal with this matter in committee of the whole or to refer the bill back to the standing committee where witnesses could be heard.

Let us look at the wording of the proposed amendment. The new section 6 reads as follows:

> Nothing in this act shall release either of the companies from any of its contractual obligations.

Now, I do not know what those contractual obligations are. It was said in the house that certain rights were to prevail for ninety-nine years. Am I right in that? Whereas, the Board of Transport Commissioners has power to grant rights for only a limited number of years. That is another point on which we are in the dark. The proposed amendment to Section 6 reads:

> , the Railway Act or any other act notwithstanding.

I do not know what the Railway Act has to say with regard to contractual obligations. That is something we can only find out in committee.

My honourable friend who sponsored the bill (Hon. Mr. Brunt) has suggested there may be another amendment that would be advisable.

Hon. Mr. Brunt: I did not say it would be advisable.

Hon. Mr. Macdonald: My honourable friend said there might be another amendment. Let us send the bill back to committee and find out. My honourable friend from Mille Isles (Hon. Mr. Monette), who is a very distinguished constitutional lawyer, may have a very good point.

Hon. Mr. Thorvaldson: This has nothing to do with constitutional law.

Hon. Mr. Macdonald: That may be so, but the honourable gentleman can still speak with distinction. If he has a suggestion to make, that is one more reason why the bill should go back to committee. From what has been said here this evening I am more convinced than ever that we cannot vote intelligently on the bill without sending it back to committee to get information which we did not receive, and should have received, when the committee considered the bill.

Hon. Mr. Robertson: Honourable senators, I would like to ask the honourable Leader of the Opposition (Hon. Mr. Macdonald) a question. Unfortunately, I was indisposed and did not attend the meetings of the committee, but I have listened with much interest to the clear and lucid explanation by the chairman of the subcommittee (Hon. Mr. Hugessen). What I find difficult to understand is why the opinions of the provinces concerned were not sought when the bill was before the committee.

Hon. Mr. Macdonald: I quite agree with my honourable friend—

Hon. Mr. Robertson: Did the honourable Leader of the Opposition ask for their opinions?

Hon. Mr. Brunt: No, he did not.

Hon. Mr. Macdonald: I did not ask, and I shall have to take the blame, as we all must, for failing to do so. I recall that we were in much the same predicament with respect to a private bill for the incorporation of a church, recently reported back from committee. In that instance most of the members of the committee voted for the bill, and when the report was read to the house they asked, "Why did we do that?" Everyone agreed that the bill should go back to committee, and it did go back.

Hon. Mr. Hugessen: May I attempt to answer the question asked by the honourable senator from Shelburne (Hon. Mr. Robertson)?

Hon. Mr. Macdonald: Honourable senators, this is what I object to. My honourable friend

has already spoken in this debate, and it is against the rules of the house to make this into a committee discussion.

Hon. Mr. Robertson: My honourable friend has already spoken two or three times.

Hon. Mr. Macdonald: I am speaking to a point of order at the moment. I have suggested that the better practice is to discuss questions such as this in committee, and that it is impossible to follow the rules of the house in discussing such a matter when His Honour the Speaker is in the Chair. His Honour enforces the rule that an honourable senator may speak only once in a debate. We cannot discuss a bill such as this and speak only once.

The Hon. the Speaker: We are actually discussing an amendment, which was moved by the Honourable Senator Vien, to amend clause 6 of the bill by adding at the end thereof the following words:

, the Railway Act or any other act notwithstanding.

I understand that an honourable senator may speak only once—except, of course, that the mover of a motion has the right to close the debate—but we have generally accepted the practice that to elucidate a point an honourable senator may speak a second time. I ask honourable senators to restrict themselves to this amendment, and not discuss in advance another amendment which may or may not be made at a later date.

Hon. Paul H. Bouffard: Honourable senators, I want to say just a few words about this bill. I was satisfied in the committee as to what the bill meant, and I was also satisfied as to the agreement that was annexed to the Newfoundland act. Should we go back to the committee and examine the amendment which has been proposed by the honourable senator from De Lorimier (Hon. Mr. Vien)? It seems to me that the amendment does not add anything to what has been said already in committee. It merely makes it more clear that notwithstanding any legislation whatsoever, including the Railway Act, the contractual obligations will be respected. That is all that the amendment does.

Are we going to be in any better position if we send the bill back to the committee? So far as the provinces of Newfoundland and Quebec are concerned, it seems to me that they have had every possible opportunity to make representations, because notice was published in the *Canada Gazette* and they would know that the bill is before the Senate of Canada. If they do not know that, they should know it, and I am sure that if either of these provinces had anything to say against the bill they would have sent representatives to appear before the committee. I am satisfied of that. It is my opinion that it would be a waste of time to send this bill back to the committee. We have been told all we need to know in order to reach a decision to accept the bill or reject it.

Hon. Arthur W. Roebuck: Honourable senators, I still have rights, I think, because I waived my right to speak to allow my friend to make his statement, and I am very glad I did.

The Hon. the Speaker: Did the honourable senator waive or yield?

Hon. Mr. Brunt: No, he reserved his right to speak.

Hon. Mr. Roebuck: Well, I think I did waive. In any event, my remarks are not going to be long. I am glad I did waive, because by doing so I have heard what the honourable senator had to say. It was illuminating and satisfying.

It has been said that these words "the Railway Act and any other act notwithstanding" do not add to or take away from the amendment already before us. If that is so, may I ask those who are opposed to it, and those who are in favour of it: Why clutter up the record with unnecessary words? To me, those words mean a very great deal. There are more people involved in this situation with which we are dealing than the parties who are before us opposing it and defending it. There is the public to be considered—the public which is often forgotten. Let us never forget the public.

The Board of Transport Commissioners protects the public. It makes such rates as may be reasonable, and so on, but its main purpose, and the reason for its existence, is to protect the public interest and to assure public safety. So, I am strongly opposed to these words. I see no reason why these two or three companies should be in any different position with regard to the Board of Transport Commissioners from that of any other railroad in Canada. If we say that nothing in the act relieves these companies from any of their contractual obligations we have said all that we are required to say, and we will be asserting our confidence in the men who compose that board. I am quite sure that the board will consider contractual obligations and respect them even if that clause is not there at all. I think the clause itself is unnecessary, because both courts and boards will enforce contractual obligations unless some public interest is involved, and if a public interest is involved I want the authorities that we

constitute for that purpose to have a free hand in dealing with the matter. I have sufficient confidence in them.

May I say something with respect to the proposal to refer the bill back to committee? I am unfortunate in that I cannot attend meetings of this kind and do the other work that you ask me to do. I have not the knowledge that the five men who formed this subcommittee have. They have met and made a report. I have every confidence in them, and I do not see that we are going to gain a thing by sending the bill back to them. I disagree very seldom with the honourable Leader of the Opposition (Hon. Mr. Macdonald). I do not like to disagree with him at any time, but I do not see that we will gain a single thing by doing as he suggests. He says that we ought to know what the agreement between the parties is. I do not see how that is a factor in our consideration at all. Whatever the agreement is, we have provided in the bill that the contractual obligations shall be observed. Why should we go further?

Is not the picture this? Some people come to us and ask not for a licence to operate, but simply for the power to combine two railroads and to operate as a railroad. They must still get consent from the Board of Transport Commissioners, and they must find the money. Then, somebody else, who is apparently a competitor, says: "No, we are opposed to it." We have been incorporating pipe lines until it is a joke. What would we do if, when somebody came here asking for the incorporation of a pipe line company, somebody else said: "No, I am afraid these fellows are going to compete with us"? We would laugh at that. We would give the power to any bona fide applicant for such purpose, and let it go ahead according to the law of the land and the rights it might obtain. I am ready to do that for these companies unless I see very good grounds for not doing so, and so far such grounds have never been advanced in my hearing. There may be good grounds, but I have not heard them yet.

On the other hand, I can see very large public interest involved. The people who are applying for this legislation are proposing to spend very large sums of money on the development of an important Canadian natural resource and to make vast deposits of iron ore available to the service of mankind. I, for one, am not prepared to stand in their way and deny them, on any fanciful excuse, the usual rights that we accord to other citizens.

I think we should reject this amendment. I am strong on that. I am not going to vote for anything that sets aside the powers, or pulls the teeth, of the Board of Transport Commissioners. We should defeat this motion that is before us and then, honourable senators, I am prepared to vote for the passage of the bill.

Hon. Thomas Vien: Honourable senators,—

The Hon. the Speaker: I remind honourable senators that if the honourable senator from De Lorimier (Hon. Mr. Vien) speaks the second time it will have the effect of closing the debate.

Hon. Mr. Vien: Honourable senators, I moved this amendment only for greater clarification of section 6, which the subcommittee recommended and which was adopted by the standing committee. Before proposing this amendment I consulted the honourable senator from Toronto (Hon. Mr. Hayden). He is an eminent constitutional lawyer and a prominent counsel from the province of Ontario. He stated that, in his opinion, the words I proposed as an addition to section 6 were necessary and made the decision of the committee unmistakable. The honourable senator from Inkerman (Hon. Mr. Hugessen), another eminent counsel and Batonnier of the Bar of Montreal, very fairly stated the case a minute ago. He said that, in his opinion, the words I suggested did not add anything to the section but rendered its meaning clearer. The sponsors of the bill themselves have accepted these words as adding some degree of clarity to the text. The decision of the standing committee was unanimous but, after further study, I found that the language proposed was not an adequate expression of the intention of the committee, namely, that this legislation should never release the companies from their contractual obligations. With that in mind, I felt that it was necessary to add to section 6 the words "the Railway Act or any other act notwithstanding."

This proposed amendment means that under no circumstances shall this legislation be invoked to release the companies from their obligations—even if, under the Railway Act or any other act, the Board of Transport Commissioners had the power to do so. If, in the opinion of some honourable senators, it does not add to or detract from the words found in section 6 and if, as the honourable senator from Inkerman has stated, it clarifies their meaning, I submit my amendment should be accepted. The sponsors of the bill have accepted it.

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

Some Hon. Senators: No.

The Hon. the Speaker: Those in favour of the amendment will say "Content".

Some Hon. Senators: Content.

The Hon. the Speaker: Those opposed will say "Non-content".

Some Hon. Senators: Non-content.

The Hon. the Speaker: In my opinion the Contents have it.

Hon. Mr. Roebuck: There are two of us standing in our places. Let us have a recorded vote.

Amendment of Hon. Mr. Vien negatived on the following division:

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Honourable Senators

Connolly (Ottawa West),	Leonard,
Dessureault,	Macdonald,
Dupuis,	Reid,
Fergusson,	Robertson,
Isnor,	Vien,
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NON-CONTENTS

Honourable Senators

Aseltine,	Brunt,
Basha,	Buchanan,
Bouffard,	Choquette,
Courtemanche,	Pratt,
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Gershaw,	Smith (Kamloops),
Gouin,	Smith (Queens-Shelburne),
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Hugessen,	Taylor (Norfolk),
Irvine,	Thorvaldson,
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Methot,	
Pouliot,	

The Hon. the Speaker: Honourable senators, the question is on the motion of the Honourable Senator Brunt, seconded by the Honourable Senator Horner, that the bill be now read the third time. Is it your pleasure to adopt this motion?

Some Hon. Senators: On division.

Motion agreed to and bill read third time, on division.

The Hon. the Speaker: Honourable senators, this bill has been read the third time and is now ready to pass. Is it your pleasure to pass this bill?

Some Hon. Senators: On division.

Bill passed on division.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 1, 1960

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

Prayers.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 464 to 478, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

PRIVATE BILLS

WAWANESA MUTUAL LIFE INSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill S-33, to incorporate The Wawanesa Mutual Life Insurance Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Olive L. Irvine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

WAWANESA MUTUAL INSURANCE COMPANY—REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-34, respecting The Wawanesa Mutual Insurance Company, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mrs. Irvine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

NOTICES OF INQUIRIES

Hon. Jean-François Pouliot: Honourable senators, I would like to ask three questions that I asked on July 16 last session. This year I am asking them a month and a half earlier, in the hope that they will be answered before the end of the session:

No. 1.

Each year since 1947, how many applications have been made in Canada for passports by
(a) British subjects?
(b) Canadian citizens?
(c) Citizens of the commonwealth?

No. 2.

1. Are there any categories of British subjects who are presently living in Canada and who are neither Canadian citizens nor citizens of the commonwealth?
2. If so, what are they?

No. 3.

What is the amount of each of the fellowships for nationals of foreign countries enumerated in the categories described as 8*a* and 8*b* of the Second Annual Report of the Canada Council?

What is the particular object of each of these fellowships?

YUKON BILL

SECOND READING

Hon. George S. White moved the second reading of Bill C-59, to amend the Yukon Act.

He said: Honourable senators, Bill C-59 is an act to amend the Yukon Act. Bill C-60, the first order on the Order Paper today, is an act to amend the Northwest Territories Act, and will be proceeded with tomorrow. The amendments proposed by these two bills are practically identical. The changes being made to the Yukon Act are to meet the developing needs in this territory. The changes deal with the constitution of the Yukon Council, the administration of justice and the application of the territorial ordinances. The legislation contained in this bill will lead in the future toward the Yukon's becoming a separate Canadian province.

The populations in both territories are small at the present time when compared with the population of any of the provinces, and I think honourable senators will agree that provincial status is still some considerable distance away. However, the residents of each of these territories are already aware from the reports of their elected representatives on their councils that the attitude of the federal Government is to encourage any development which will lead ultimately to the transition to provincial status.

The history of the government of the Yukon may be of some interest to honourable senators. Prior to 1895 the Yukon was part of the unorganized Northwest Territories. In 1898 it was created the Yukon Territory by act of Parliament. Provision was made at that time for a local government composed of a commissioner and a legislative council of six appointed members. Some changes

were made over the next ten years, and in 1908 the elected council was reduced to five members. From this it will be seen that the Yukon has had some control over its government for well over 50 years.

In 1919 the council was reduced to three. That was because of the somewhat serious decrease in population. The total population in 1901 was the peak of 27,000, and by 1919 it had declined to about 4,000. I am advised that the population of the Yukon in 1958, according to the last estimate which was made at the end of that year, was approximately 13,000. Owing to the increase in population it has now been decided that the number of members of the council should be increased from five to seven.

At the present time the Yukon Act provides that the council shall sit separately from the commissioner. I am unable to give you any reason why that provision is there, but it had apparently something to do with some circumstances which existed when that provision was enacted. At any rate, that provision now serves no useful purpose, and the council has asked that this restriction be removed. I should make it clear that the repeal of this restriction will not in any way change the responsibilities of the commissioner or of the council. It will simply make it possible under the act for the Commissioner to attend Council meetings and to contribute to the discussion of the council if the council invites him to do so.

Perhaps the most important change is the establishment of an advisory committee on finance. At the present time the administrative and legislative aspects of government in the Yukon are wholly separate. There is no formal provision for consultation between the commissioner, who is responsible for preparing the budget and carrying on the administration, and the council, which controls the purse. The appointment of the advisory committee under the new act is designed to meet this situation, and in the preparation of the budget the commissioner will have available to him the advice of a committee of elected representatives. I should make it clear also that the establishment of the committee implies no change in the functions or responsibilities of the commissioner or of the council. The committee is purely advisory. It is not empowered to commit the council, and the commissioner is not required to follow its advice.

The second broad subject with which the bill deals is the application of territorial ordinances. Here the primary purpose is to clarify the intentions of Parliament with respect to the game resources of the Yukon Territory. The Yukon administration has had the control of game for over 60 years, and this control is the same as that which applies in the various other provinces which have the prime responsibility for wildlife resources.

Since 1900 these resources have been administered under Territory legislation, which until recently was taken as applying to all residents without regard to racial origin. However, owing to a court case in the Territories last year an interpretation was given which caused some doubt as to whether or not the Yukon administration had the necessary power to deal with game.

The balance of the bill deals with the administration of justice. The bill provides that a judge of the Territorial Court of the Northwest Territories is *ex officio* a judge of the Territorial Court of the Yukon. In the Northwest Territories Bill there is the same provision that a judge of the Territorial Court of the Yukon is also *ex officio* a judge of the Territorial Court of the Northwest Territories.

Present legislation provides for the appointment of deputy judges under certain circumstances by the Governor in Council. It has frequently been found convenient to appoint the judge from the Northwest Territories to serve in the Yukon in this capacity. This amendment will make it unnecessary to have this order in council procedure every time it is desired to make such an appointment. This proposal may be viewed as a step toward the independence of the courts. In the past, trial judges from British Columbia and Alberta have been appointed to conduct trials in the Territories. With this amendment such an appointment would normally occur when neither Territorial judge was able to act. While this provision will reduce the occasions when deputy judges are required, it may still occasionally be necessary to make such appointments if both Territorial judges are unable to act, or in other special circumstances. The bill accordingly provides for the appointment and remuneration of deputy judges when in the opinion of the Governor in Council this is desirable. Its implementation will give greater flexibility resulting in better service to litigants and accused persons.

Perhaps the most important provision of this part of the bill is that establishing a separate Court of Appeal for the Yukon. This will be accomplished by creating a new court to consist of the Court of Appeal of British Columbia together with the judges of the two Territorial Superior Courts. This new Court of Appeal will be authorized to sit in the Yukon, and the local court office in Whitehorse will assume the position of a branch office of the Registrar of the Court of Appeal in Victoria.

The only other immediate change that this legislation brings about is that for the first

time a Court of Appeal will actually sit in the Territory. This will make it unnecessary for litigants to travel south in connection with court business, and should substantially decrease inconvenience and expense caused to litigants, accused persons, and the Crown.

Finally, honourable senators, the bill provides that payment may be made to justices of the peace—whether civil servants or not—in special circumstances and by authority of the Governor in Council. Justices of the peace provide an essential element in the administration of justice in the Yukon. Their jurisdiction covers a large area and it is fair to say that they dispose of the bulk of cases. In northern circumstances, some justices of the peace must at present spend a considerable portion of their time on this work without remuneration. The new provision will make it possible to remedy this inequity.

Honourable senators, when the bill receives second reading I will move that it be referred to the Standing Committee on Banking and Commerce, where competent witnesses from the Department of Northern Affairs and from the Department of Justice will be available to answer in detail any points raised by honourable senators.

Hon. Mr. Reid: I wonder if the honourable senator would answer two questions regarding section 3? My first question is this: Will the members of the advisory committee, which, I take it, is separate and distinct from the council, be resident in the Yukon Territory? Secondly: Will they receive any remuneration other than that outlined in subsection 4, for attendance at meetings?

Hon. Mr. White: Section 3 says that the members of the advisory committee shall be members of the council. In addition to the pay they normally get as members of the council, I take it that for attendance in their capacity as members of the advisory committee they would receive the remuneration set out under section 4.

Hon. W. Ross Macdonald: Honourable senators, as the sponsor of the bill (Hon. Mr. White) has said, this part of Canada is undergoing great development at the present time. In listening to the news on television last night I learned that it is proposed to build a new railway through the interior of British Columbia, and it was suggested in that newscast that probably the railway would eventually go up into the Yukon. We have heard a great deal of the mining and oil and other developments in the Yukon. It seems to me, therefore, natural that there should be a change in the legislation to meet changing conditions in that part of the country. I am sure we are all happy to know that great development is taking place in the Yukon. Our minds go back to the days of 1898. Some of us may not remember the facts, but we have all read of the heroism and determination of those who went up into that country to find gold. Now it is very interesting to note that, 62 years later, developments of a different kind are pioneered by men just as energetic and courageous as those who opened up the trail known as "the Trail of '98".

As the sponsor has said, the bill refers to the council of the Yukon. I think the bill can be divided into three parts. The first part refers to the council. It proposes to increase the number of members of the council from 5 to 7, and also provides for the creation of an advisory committee on finance. I am sure honourable senators will approve of the increase in the number of the members of the council, and also the creation of an advisory committee. I notice that, as was pointed out in reply to a question by the honourable senator from New Westminster (Hon. Mr. Reid), that the advisory committee is to be selected from the council. However, his question as to whether any additional remuneration would be paid to the members of the advisory committee was not answered.

Hon. Mr. White: Subsection 4 would cover that.

Hon. Mr. Macdonald: In any event, I am glad that the bill is going to committee so that details of that sort can be considered and the information given to the house.

The second portion of the bill, I would say, provides for a Court of Appeal for the Yukon Territory. It also authorizes the Territorial Court of the Yukon Territory to sit in the Northwest Territories, so far as civil matters are concerned. I do not think the sponsor of the bill mentioned that feature. That also could be explained in committee.

I was also interested to note that the bill provides for deputy judges of the Territorial Court.

One other interesting provision in the bill is contained in clause 4. The explanatory note on the fly-leaf of the bill says that the commissioner will be authorized to pass game legislation applicable to Indians and Eskimos in the Yukon Territories. The note says also it is desirable that such legislation should be general in application, and I agree with this. For some time the game ordinances of the Northwest Territories have been considered as having effect throughout all of the Northwest Territories, but not long ago there was a decision given which cast some doubt upon whether the general provision with regard to game ordinances applies in the district covered by this bill. I think it is advisable to establish beyond the shadow of

a doubt, as this bill does, that the ordinances regarding game do apply to Indians and Eskimos in that district, unless the contrary intention appears therein. That is a point which can be gone into when the bill is in committee.

I join with the sponsor of the bill in saying that this legislation is advisable and necessary, and I hope with him that the Yukon district of the Northwest Territories will continue to progress.

Hon. F. W. Gershaw: Honourable senators, I wish to speak briefly on this bill. First of all, I would like to say how glad we are that the honourable senators from Lauzon (Hon. Mr. Tremblay) and Toronto (Hon. Mr. Campbell) are back with us on this occasion.

The vast area known as Yukon and the Northwest Territories extends all the way from the Rocky Mountains to the St. Lawrence River basin. That great area was roamed over by the Indians for twenty or thirty thousand years. The Eskimos settled along the river and the waterfronts where their food could be obtained. The Eskimos were not considered to be Indians, although their ancestors were probably the same and came from the heart of Asia across the Bering Strait to this land. This great area was under the control of the Hudson's Bay Company for some 200 years. The company had control of all the lands drained by streams flowing into the Hudson Bay. In 1870 it relinquished its charter and the land was ceded to Canada. In return, the company received £300,000, and was allowed to keep one-third of the land. In 1870 Manitoba was taken out of the Northwest Territories. In 1905 four of the Northwest Territory districts were surveyed into the provinces of Alberta and Saskatchewan. In 1912 the boundaries of all three provinces were extended up to the 60th parallel of north latitude.

So what is now spoken of as the Northwest Territories extends from Baffinland on the east to Alaska on the west and from the 60th parallel right up to the North Pole. This land is partly a treeless country, especially in the north, but there are rolling elevations of rock and slate, the earth having been brushed off and forced off by glaciers in times long ago. In the wintertime the ice on the Great Bear and Great Slave Lakes is seven to eight feet thick. However, there are grassy areas which provide range lands for the cariboo and the musk-ox. Vegetables grow very rapidly there on account of the long days, that being the land of the midnight sun.

This area includes the Great Northern or Cambrian Shield, so rich in mineral. It also includes Wood Buffalo National Park, the largest park in the world for the protection of buffalo.

Some 2,370 reindeer were driven from Alaska to the Mackenzie delta in 1912 and by 1940 they had increased to over 5,000. They are a source of food supply for the natives of that country.

Now, people have gone up into that country in quite large numbers for various reasons. As has been mentioned, many went during the gold rush of '98. Few found gold and many endured great privations and met with disaster. Then there was the ill-starred expedition of Franklin, who was lost with his ships and all his men. Searchers who went afterwards to try to find some remnant of that expedition learned a great deal about conditions in the country.

Since then oil has been discovered at Norman Wells, gold at Yellowknife, and pitchblende and radium in the Great Bear area. There has been extensive exploration for gas and oil there in recent years, and cobalt, lead, silver and zinc are found in the area of the Great Shield, so that the whole character of the country has changed.

The Eskimos take part in the mining activities. They have been employed by the people who are building the distant early warning lines and other defence structures in that country. The Catholics and Anglicans sent missionaries up there and there were great difficulties because of the original mode of transportation by sleigh and water. Now, of course, people travel by the Alaska highway up into that country and also by aeroplane.

Honourable senators, this is about the fourth or fifth bill which has come into the Senate in recent years for the purpose of streamlining and otherwise improving the administration of justice, but though there have been many new discoveries in the medical world we have not had an opportunity of seeing to it that modern medical services are extended to the people in the very remote districts. Of course, there are a few criminals, a few underprivileged misguided people, and it is necessary to apprehend them and try to reform them, but it is also necessary to extend to the greater number of people who are sick and disabled the very best of medical treatment that the age affords. Quite recently the Minister of Justice visited that country, but we have had no reports of visits there by medical officers, and I am under the impression that the services of the Department of Justice are being extended out of proportion to the medical services and the school services of this country. I might suggest one reason: I read lately that a certain jurist had advised a graduating class of lawyers to get into public life and become legislators.

With very great respect, I might submit that the legislative halls have their full quota of legal talent and that what we need are businessmen and representatives from other lines of endeavour. We should give all honour to judges and lawyers who take long, dangerous and difficult trips to these remote areas to administer justice, but I wish they would take along with them a team of medical officers equipped to diagnose obscure diseases and to prescribe the best medical care that can be given. I hope that, when the time comes for building courthouses in that country, hospitals and schools will receive equal consideration.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, bill referred to Standing Committee on Banking and Commerce.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—ORDER STANDS

On the Order:

Resuming the adjourned debate on the motion of Honourable Senator Croll, seconded by the Honourable Senator Roebuck, for second reading of Bill S-25, intituled: "An Act to make provision for the disclosure of information in respect of finance charges".—(Honourable Senator Wall).

Hon. Mr. Aseltine: Honourable senators, I would like to ask the unanimous consent of the Senate to proceed next with Order No. 4, for resuming the adjourned debate on the motion for the third reading of Bill S-29, to incorporate Allstate Insurance Company of Canada. The honourable senator from Waterloo (Hon. Mr. Euler), who adjourned the debate yesterday, wishes to speak and he thought that this matter, which was No. 1 on the Order Paper yesterday, would be No. 3 on the Order Paper today. The honourable junior senator from Winnipeg (Hon. Mr. Wall) is quite willing to have Order No. 3, on which he is speaking, come after Order No. 4.

Hon. Senators: Agreed.

PRIVATE BILL

ALLSTATE INSURANCE COMPANY OF CANADA —THIRD READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Brunt for the third reading of Bill S-29, to incorporate Allstate Insurance Company of Canada.

Hon. W. D. Euler: Honourable senators, may I first extend my thanks to the junior senator from Winnipeg (Hon. Mr. Wall) for his courtesy in yielding priority to me.

During the debate on the motion for second reading of the bill to incorporate Allstate Insurance Company of Canada I made the statement and the criticism that there was discrimination in favour of foreign insurance companies as against Canadian insurance companies in the matter of taxation. It would be fitting if today, even though we are on the motion for third reading, I were more specific as to the nature of that discrimination.

The sources of income of the insurance companies are almost entirely receipts from underwriting premiums, which may or may not be profitable, dividends from joint stock companies, interest on bonds and debentures, and interest on mortgages.

May I digress for a moment, because it is an interesting feature, to refer to the matter of dividends payable to corporations. Dividends paid to corporations are not taxable under the Income Tax Act for the reason that the issuing company has already paid 52 per cent corporation tax; therefore, it would be a duplication of taxation for the receiving corporation to pay tax on the dividends. But it occurs to me as strange that when dividends from the same companies, which have already paid corporation tax of some 50 per cent, are paid to an individual shareholder he is not allowed complete exemption on those amounts. The individual shareholder is allowed an exemption of only 20 per cent. The reason for this, I am told, is that there is in the act a provision that companies which earn $25,000 or less pay corporation tax of only 20 per cent. Therefore, if the full exemption were allowed an individual shareholder, the allowance might be too great. My answer to that would be that I imagine about 5 per cent of corporations have profits of $25,000 or less, and these would be small bodies or family corporations. Thus the law discriminates in favour of the corporation and against the individual.

Now I come to my cause for complaint in the matter of discrimination in favour of foreign insurance companies. While Canadian companies pay income tax—corporation tax, if you like—on all profits, including underwriting profits and profits on investments, foreign companies, including those from the United States, Great Britain and European countries, pay no tax on their investment income.

Let me give a few examples. I shall mention no names, because that is not necessary. The figures I shall give are taken from the Blue Book report of the Department of Insurance. The first company I would mention is a big company with assets in the

United States of $3 billion. In four years its underwriting profits were $2,200,000, on which it paid income tax, or corporation tax. It had, besides that, investment income of $1,572,000 on which it paid no income tax. The second company I would mention is a very large European company, one of the largest in the world, with an annual premium income of $20 million. I mention that figure to indicate what a big company it is. In four years it had an investment income of $2 million, of which $600,000 was received in the last year, and it had underwriting profits of $741,000. But on the $2 million, as in the other case of investment income, it paid no income tax.

Hon. Mr. Thorvaldson: Was that Canadian income or European income?

Hon. Mr. Euler: This is all on Canadian business. I gave the assets of one company in the United States, but so far as income is concerned I am referring entirely to its Canadian business.

Some companies, of course, have very heavy losses. For instance, I think the Allstate Insurance Company, with which we are dealing today, had losses for some years, until very recently, but of late I believe it is making profits. These very large companies, large in comparison with our smaller Canadian companies, can afford to take losses for some years. In the past two or three years the losses on underwriting fire insurance, and especially automobile insurance, have been extremely heavy. But the big companies stay with it because they feel that in the future—as in the case of the Allstate Insurance Company—especially with the new methods of writing insurance—they will be able to reimburse themselves. But in the meantime they are making things mighty difficult for the small Canadian companies. I am not saying that Canadian companies must not accept all reasonable and fair competition.

The British companies do not make much money in Canada; in fact, they are nearly always in the red. In four years they suffered losses in underwriting in Canada of $50 million; and they paid no tax, except the comparatively small sum of $285,000, an amount which some single Canadian companies pay in one year. These huge companies can afford to take the losses in the meantime, but, as I said earlier, it is pretty hard on the small Canadian companies.

I spoke of fair competition. Some of the competition, in my opinion, is not fair at all. I am not going to give names, but some companies do cut rates, they take the choice risks, and in many instances when losses occur they cancel the policy and leave the reinsurance to the small Canadian companies. It may surprise some honourable senators to know that only about 17 per cent of the fire insurance business in Canada is done by purely Canadian corporations.

I come back to the matter of discrimination, and I should make one qualification to what I have already said. It is only fair to say that the American and the British companies, and foreign companies in general, are not permitted to charge against their profits what may be called head office expenses in the home country, for a certain amount of office work, research and advertising, a percentage of which might fairly be charged to their Canadian operation. The reason given for not permitting them to charge these expenses against profits is the assumption and I cannot for a moment agree with it—that it establishes a fair balance and justifies exempting them from taxation on investment income.

Let us take, for example, a company that has an investment income of $2 million. If that amount were added to its profits it would pay a tax of about $1 million into the national treasury. True, some would be offset by the expenses, if they were allowed, for head office. But I think honourable senators will agree that this arrangement is very largely in favour of the foreign companies in being exempted from tax on investments.

My remedy for the thing about which I complain is this: Put the companies on an even basis, which I am sure would be a more businesslike arrangement than trying to balance one item against another, matters which cannot be fairly balanced. Let the American or British company operating in Canada make a fair appraisal of its head office expenses chargeable to the Canadian operation, charge that against its profits, and while as a result it might pay a little less in corporation tax, its investment income would be taxed in the same way as Canadian corporations are being taxed, the treasury would benefit and the discrimination be removed. That seems to me the commonsense and businesslike way of doing things.

May I say also that the method of doing business in the insurance world is changing very rapidly. Some reference was made to it in the committee the other day by the Superintendent of Insurance. The company being incorporated inaugurated this new method and it has met with great success in Canada. Insurance companies which deal in fire, casualty and automobile insurance have been doing their business through agents who get pretty large commissions, and this is one of the heavy costs of the insurance companies. Another very heavy expense, and

one which is very difficult to control, is the adjustment expense. It is astounding to see how much this amounts to. When a man has an accident to his automobile and when it is known that he is fully covered by insurance you may be quite sure that the amount charged for the repairs is unduly exorbitant.

These American companies, such as Allstate and one or two others, have adopted the plan of direct insurance. They do not do business through agents. My friend opposite (Hon. Mr. Brunt) looks askance at me.

Hon. Mr. Brunt: I think the insurance is originated through agents, but after the first year a considerable amount is saved in the commissions that are paid.

Hon. Mr. Euler: That may be the case in the company my friend speaks of, but I happen to know that a great deal of insurance goes directly to the head office on which practically no commission is paid, and that is so in the case of this company.

This company, by the way, although it is being incorporated in Canada, will be completely controlled by the United States company. The Allstate Insurance Company of the United States—my friend can correct me if I am wrong, for he is the sponsor of the bill—will hold 50 per cent of the stock of the Canadian company. The other 50 per cent is to be owned, as I understand it, by the Simpsons-Sears Company—

Hon. Mr. Brunt: And Sears, Roebuck.

Hon. Mr. Euler: Yes. Part of it may be Canadian capital, and I suppose it is, but in any case not more than 25 per cent of it will be so held, so in any event the company will be controlled by United States capital. While it is true that every Canadian insurance company must have at least a majority of Canadian directors on its board, that in effect does not mean a thing, because he who pays the piper calls the tune, and this company will be entirely under American control.

In addition to placing some direct insurance, which I am speaking of, this particular company will write insurance through these many stores that Simpsons-Sears have throughout Canada. They are agents, I suppose. Representatives of the company will be in those stores, and they will be able to write insurance at a good deal less cost than our Canadian companies can do it, unless they too adopt a similar system. I am not saying that we should not recognize any competition that is fair, and I do not say that this competition is unfair, but I do say that in many instances foreign companies cut rates, take the choice business, and then cancel the policies when all the cream has been taken off that particular kind of business. So the whole situation is changing and Canadian companies must adapt themselves to it. By the way, the company with which I am associated will be able to take care of itself.

Why is this company asking for Canadian incorporation? I asked that question in the committee, and the answer I received was that the company thought incorporation would give it a little better standing in Canada. I believe the correct answer is that this company recognizes that there is a growing resentment—perhaps that is too strong a word —toward United States capital taking control of so much of the business of Canada. I am not one of those who object to American capital coming into this country. If we had not had American capital we would not have had the extent of development which we have had. But there may come a time when it may seriously interfere with not only the industrial integrity of the nation but, perhaps, with the political integrity as well, and that is what we do not want to see.

I think this company is taking out a Canadian charter with the idea of conveying the impression that it is a Canadian company, and in an endeavour to remove some of the prejudices of which I have just spoken. However, I do not think that this will mislead anybody. As I have stated, it is strictly a United States-controlled insurance company. The other day when I was speaking on this bill I made a remark to the effect that I did not consider the name "Allstate" suitable for a Canadian company, seeing that we have provinces, not states, in this country.

Perhaps I am intruding on the time of my honourable friend, but I want to deal briefly with another matter of insurance taxation which I think is even more important than the one of which I have spoken, and that is the tax that is imposed on the premium income of insurance companies. A company which has insurance premiums of, say, $10 million is charged a tax of 2 per cent on that amount, which is $200,000. I have never heard any reason given for that tax, except the one that it is an easy way to get the money. Let me give you a history of the tax. It was brought in during the First World War as a war measure. It was then 3 per cent. The insurance companies did not object particularly to it, although they did not think it was the right form of taxation, and neither do I. They were not charged corporation tax, so they did not object to the premium income tax because they felt that the one pretty well balanced the other. Then about ten years ago Parliament made a drastic change. It reduced the 3 per cent premium tax to 2 per cent, but made the insurance

companies subject to the corporation income tax. My contention is that when the corporation tax was imposed the premium income tax should have been done away with.

Hon. Mr. Thorvaldson: Is not the premium income tax a provincial tax?

Hon. Mr. Euler: Yes, it is now, but it was not at the time it was brought in. That has been the case only since 1956. It is not imposed in all the provinces, but the provinces may avail themselves of it.

At the time the bill was going through this house it was referred to the Standing Committee on Banking and Commerce, and some senators will remember that we had a good standup fight on that very point. I recall that my good friend the senator from De Salaberry (Hon. Mr. Gouin) championed the contention I was trying to make. As a matter of fact, we were able to have that clause with respect to the 2 per cent tax taken out of the bill, but when the bill came back to the Senate that clause was promptly replaced and the tax was approved.

Hon. Mr. Brunt: You had a good try at it.

Hon. Mr. Euler: Yes, but I did not get very far, and this is not an isolated case.

I think that tax is unfair. In fact, it becomes a tax on losses. I know of an insurance company—it is not a very big company—whose underwriting losses in the last two years were so heavy that they not only wiped out its investment income but the company had to dig into its surplus to the extent of about a million dollars.

I have a report here involving a company that is over 100 years old. I am not going to give its name, but its directors are very reputable citizens of Canada, known to practically everyone. The admitted assets of the company at the end of 1958, the latest year for which records are available, totalled nearly $8 million. It had a surplus of slightly over $2½ million, and its premiums written in that year amounted to only $3 million. The premium tax paid at the rate of 2 per cent was a little less than $60,000. The company's underwriting loss for the year was $1,409,382 and its net loss amounted to $1,143,018. That reduced the company's surplus—and it becomes a serious matter when a company find its surplus reduced—from $3,779,882 to $2,636,864. It amounted to a reduction in surplus in one year of over $1 million.

I do not hope to influence the Government to have the law changed, but it should be changed. With apologies to my friend from Blaine Lake (Hon. Mr. Horner), I say this tax is just about as unfair as the 11 per cent tax that is imposed on margarine while most other foods, including butter and peanut butter, are exempt. Peanut butter is a competitor of butter and my friend should have it removed from the exempt list. Even spaghetti is on the exempt list, yet the tax remains at the rate of 11 per cent on margarine. You will agree with me that it is just about as absurd and unreasonable and unfair as the tax on senators' expense allowances.

Some Hon. Senators: Hear, hear.

Hon. Mr. Euler: I knew you would all agree with me. We spend the money and then we are taxed on money we have not got.

I do not object to the bill. It brings this company under the same obligation to pay tax on investment income as other Canadian companies do. In the meantime it will develop a large volume of business which, may I say with all respect, will be done at the expense of the truly Canadian companies.

Hon. Mr. Brunt: And other foreign companies.

Motion agreed to and bill read third time and passed.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Hon. William M. Wall: Honourable senators, at the outset I wish to express my sympathy for and my support of the general principle of this very interesting and significant bill. The case which has been presented by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) has been argued vigorously and with sincerity, and the bill's technical and other difficulties have been presented with equal brilliance, vigour and sincerity. I must admit that I have tried to be a good pupil, for I respect the judgment of honourable senators who have spoken in this debate, and I have tried to understand and to appreciate the force of the arguments that have been presented.

However, I continue to believe there is real value and significance in what may be termed the germ of the idea in this bill, and my support indicates my agreement with its general purposes. Please note that the bill is not aimed at putting any statutory limitations upon the total charges that may be fixed upon loans as defined in the bill, but it is directed to a statutory prescription which would make

it mandatory for the lenders to disclose to the borrowers two essential pieces of information. I hope that our attention will not be distracted away from and that it will be concentrated upon this basic purpose or principle of the bill.

I am supporting the bill on second reading so that we may explore, study and discuss it further in committee. I contend that what we should be concerned with and what we must be concentrating upon is the principle or the concept contained in the bill. Is this not the purpose of our discussion on second reading, and is it not in the committee stage that the terminology and the specific provisions are to be subjected to more careful scrutiny? Is it not in the committee review that evidence may be heard which would enable us to assess more carefully the potential problem areas? Is it not in the committee stage that we may explore further the doubts raised about the constitutionality of some aspects of this bill?

If the difficulties in the bill have to do with the more technical problems of wording and procedures, can these not be considered, studied and attended to by the appropriate committee—and I hope it will be the Standing Committee on Banking and Commerce—with the assistance of our Law Clerk and other available experts whom we may call? Is not this what our committees do so well subsequently to the Senate's agreeing to the basic principle of the bill which, in this case, is so important to the consumers of credit, the many thousands upon thousands of little borrowers? Basically I am in favour of what the bill proposes to do, and I feel that we should do nothing less than to permit it to get this further assessment and study in committee. I see in this bill an opportunity for the Senate to perform yet another valuable service to the Canadian public, and I hope we shall not refuse ourselves this interesting opportunity.

You will see, as I develop my argument, that I am approaching this whole problem area as a layman and not as an expert trained in law or in business. I see this problem of giving additional protection to the thousands of small borrowers in its wider and perhaps more idealistic aspects, and for me the important thing is the basic idea or basic purpose contained in the bill. I see the bill for what it is trying to do, and this is simply to give some additional—and, I believe, needed—statutory protection to the borrowers or consumers of credit by making it an offence not to give to each big borrower basic information about loan charges. And I ask honourable senators: What is basically wrong with this proposition?

I believe that Parliament should take what one may call a paternalistic or a protective attitude to the ordinary Canadian, and therefore to the small borrowers. In view of the complexity of modern loan transactions in our complicated society, in view of the very large increase in consumer credit, which means that there are more and more borrowers to protect, and in view of the rapid growth and needed proliferation of all kinds and calibres of lending agencies, I want to believe that additional protection will come to the borrowers if they get the kind of readily understandable and easily interpretable information which this bill envisages. In the present and steadily increasing complexity of our economic system I believe that it is the function of Government and the function of Parliament to protect the weak, and I make no apology for my earnest and very sincere plea that this bill will be given second reading, so that it may go to committee for further review and study.

Now, will the bill do what those who support it in principle hope? That is difficult to say, but I believe that it will be of assistance to the little man who must borrow. As the honourable senator from Toronto-Spadina has indicated, he hopes that when each and every borrower has knowledge of the terms and the contents of credit contracts stated in uniform and readily understandable terms, there may result (a) better price competition in the consumer credit market, and (b) better credit management by each individual borrower. I have asked myself the same question, and I should like to put my answer to the question in this way: Firstly, I believe it will be salutary to many lenders, and I believe it will be eminently fair to all lenders, if each of them knows that he will be subjected to the same statutory prescription regarding basic information about loan charges. Secondly, I believe it will be educational to the borrowers, enabling each of them to make better judgments if the sum-total of all the charges is first set apart and then expressed in a percentage relationship to the outstanding balance in simple interest terms. I have examined quite a few of the documents which are used to make loan agreements, and as an ordinary lay person I have reason to believe, too, that there are great variations in the forms being used and in the amount of information being given to borrowers, even by large lending institutions. What this bill aims to do is simply to put all lenders and all borrowers on an equal informational footing with respect to total charges and their percentage relationship on a simple interest basis.

Perhaps we should ask ourselves this question: From our every day experiences and

knowledge, do we have need of this kind of protective legislation? The honourable senator from Toronto-Spadina indicated, as appears on page 560 of the Senate *Hansard*, that:

> True annual rates run as high as 30 per cent or 40 per cent, and are camouflaged in terms of rates which appear modest because they are stated mostly as monthly rather than annual rates. They are further disguised in the form of fees, charges, discounts and the like, all of which make up the true cost of credit to the consumer.

Honourable senators, if Parliament can do something, if it can do anything, to mitigate and to alleviate this burden of charges—and some of these I regard personally as deplorably onerous—let us by all means do something. I am sure honourable senators have all received a very interesting letter from the Canadian Association of Consumers, strongly urging that there be steps taken to secure this kind of protection for these small borrowers. If I may, I will quote from this letter, which was sent by Miss Isabel Atkinson, the National President. Among other things, she says:

> This is a matter of great concern to many consumers, and also to other groups in the community.

Further on she says:

> We endorse strongly the principle of this bill. We feel that legislation adopting this principle will enable consumers to know the cost of borrowing involved in credit purchases.

To me, honourable senators, and I believe to all thoughtful Canadians, the second mortgage business, with all its bonuses and discounts, or whatever you may call them, is very distressing and disturbing, because it has been aggravated by the so-called tight money situation and the lack of rental accommodation for families of modest means. I want to make only two minor references to this second mortgage business. I have in my hand a clipping from the Winnipeg *Free Press* of May 26, 1960, in which there are advertisements for second mortgages which have already been entered into and are apparently being sold to other people. An advertisement reads:

> 2ND MTGE. $3,400 BUYS $4,500. 8%, $45 mo., 5 yr. term, . . .

Further down the column I read:

> 2ND MORTGAGE, $1,600 FOR $1,200. $16 a mo. 8%, 5 yrs. . . .

A very quick calculation will show that the discount or the bonus, or what have you, even on this sale is over 30 per cent; and if you want to calculate the amount of interest being collected on the money being invested you will see it is well over 10 per cent, and five years later each of these mortgagees will hav to float another second mortgage with another bonus, and so on.

Honourable senators, if this bill can help with this second mortgage situation, and I believe it can, Canadians generally will be grateful to Parliament.

The honourable senator from Toronto-Spadina referred also to the great increases in the sum-total of consumer credit now approximating well over $2 billion. In this connection, I think honourable senators would be interested in knowing that during the past year there has been a tremendous acceleration in the amount of credit buying done by Canadians. I have in my hand the March 1960 credit statistics report issued by the Dominion Bureau of Statistics. It shows that the increases in retail instalment credits over last year were 10.5 per cent; increases in cash loans and instalment credits under the Small Loans Act, 19.9 per cent; increases in retail instalment financing by sales finance companies, 13.7 per cent; balances outstanding in those sales finance companies has increased by 36.8 per cent in one year. It is not for me to say whether this increase is alarming, because it indicates that consumers' credit lenders are meeting a need which is apparently very real, although I have a feeling that astute wooing of potential borrowers is also a factor in this situation.

Now, whatever the problems connected with this rapid increase in consumer credit, I feel strongly that there is great merit in the basic intent of this bill, which is directed at providing all these many additional borrowers with the necessary informational data so that they can make valid comparisons and more responsible judgments, and I ask again the question: Do we seem to need this kind of legislation?—Is this not an important question to ask in this context, for what we are dealing with here, honourable senators, is a national problem to which a national and not a parochial solution must be found.

In view of the debate that has taken place I have also asked myself this question: "With existing protective legislation presently on federal and some provincial statute books, is there evidence that many borrowers are now being subjected to high finance charges that they cannot readily assess and which may be termed usurious or unconscionable". In other words, is present protective legislation really working in actual practice?

It would be important for us, I believe, to get additional evidence about this in committee, for is it not a fact that in such cases, and especially in Ontario and under the federal Interest Act, the borrower—if he knows the law, and if he knows that it may apply in his case, and if he has the money to make the necessary applications through the legal counsel—has to institute a legal suit with all its attendant difficulties and costs?

This question then arises to plague me: What really effective day to day protection is there in these existing statutes if they involve taking court proceedings which I feel are hardly likely to be initiated by the ordinary little borrower under ordinary circumstances, and especially when the borrower may not really know what the total financial charges are, and when he is hardly likely to be able to translate these charges into simple interest relationships?

In other words, honourable senators, I am not over-impressed by the fact that some statutory provisions have been enacted by some provinces in order to give the borrower protection, either by the disclosure of total financial charges or by permitting persons wronged to institute court proceedings against the large and more powerfully equipped lenders.

And even if some provinces have some form of protective legislation, what about the other provinces, and the Northwest Territories, where many thousands upon thousands of borrowers are daily borrowing money for a variety of purposes important to them?

To me, honourable senators, the most serious objection to this bill is the doubt cast upon its constitutionality. As I see it in my simple way, the problem resolves around a satisfactory answer to this question which I shall state very bluntly indeed: If it is not constitutional for the federal Parliament to extend the definition of interest, over which it has exclusive jurisdiction, to include the many ancillary charges directly and intimately connected with a loan, then the converse perturbs me much more, namely, is it more constitutional for provincial legislatures to extend the interpretation or the definition of property and civil rights to include interest, which is a federal matter? For, if the provinces can pass legislation dealing substantially with interest and its ancillary charges, is not this some kind of invasion of the jurisdiction assigned exclusively to Parliament with respect to interest and criminal law?

We have been told that the Alberta legislation and perhaps the provisions of the Quebec Civil Code have not been challenged, but that does not mean that the constitutionality of this bill can be challenged; nor does it necessarily mean that the constitutionality of the provincial legislation has been definitely established. Perhaps, and here I need guidance, the principle of concurrent jurisdiction applies in this whole problem area, somewhat like the federal legislation which governs both the voluntary and involuntary bankruptcies or liquidations, whereas provinces, I believe, restrict themselves to voluntary liquidations. As I understand it, voluntary liquidations are within the competence of both jurisdictions, federal and provincial, and it may well be that this same concurrent legislative competence is true of this apparently overlapping problem of financial charges on loans.

I am mentioning this in the form of an honest query, because I would hate to feel that the little borrower is being left forgotten and unassisted in the apparently undecided no man's land between these two jurisdictions—to be effectively protected by neither.

I confess that I am not competent to judge the constitutionality of this bill, but surely, honourable senators, there is no doubt about the fact that under heading 19 of section 91 of the B. N. A. Act Parliament has jurisdiction over interest, and I find it difficult to understand how anyone can deal with interest and not deal incidentally thereto with ancillary or additional financial charges which are incidental to or attributes of interest, whatever they may be called. How else can Parliament make comprehensive and true legislation on the subject of interest other than by including with interest all financial charges connected with loans? I presume that one must ask whether these other charges are reasonably ancillary and related to interest, and quite frankly, as I understand the ruling or the explanations of Mr. F. P. Varcoe, which were given to the House of Commons Standing Committee on Banking and Commerce respecting small loan companies, back in 1938, his statement argues more for the constitutionality of the bill before us—that is the Finance Charges (Disclosure) Bill—than it does against it, for that is how, as a layman, I judge the constitutionality of the Small Loans Act and its 1956 amendments.

I should like in this connection to bring to your attention a statement of the then Deputy Minister of Justice, Mr. F. P. Varcoe, given before the Standing Committee on Banking and Commerce on July 19, 1956, when amendments to the Small Loans Act were being considered. In answer to a question about the constitutionality of the Small Loans legislation and the changes that were being made, he said this:

> In 1939 the device was resorted to of fixing the over-all cost of a loan. The idea behind that was, first of all, that everything that is paid to the lender by the borrower, apart, of course, from the principal, is interest. What the lender does with that, and how he disposes of it, does not make the sum which he receives any the less interest. Now interest is, as you know, the return made to the lender for accepting the risk of the loan and for compensating him for the use of the money lent. That was the first basis we had in mind when we prepared this legislation in 1939—everything which the borrower pays is interest, no matter how the lender may break it down, and suggest that it is for this and that, chattel mortgage charges, and so on. In case that did not cover the

whole field of these charges we said, secondly, that when you fix the cost of the loan, accepting the view that there might be some items in there which are not interest, then you are nevertheless regulating the interest because you fix the maximum of 12 per cent, or whatever it is, and if any part of that is something other than interest you are nevertheless regulating interest by reference to that.

Furthermore, honourable senators, what interpretation do you and I get from the Small Loans Act itself? I want to read to you from the Revised Statutes of Canada (1952), Chapter 251, section 2, the interpretation of "cost" of a loan, and please note the words:

"Cost" of a loan means the whole of the cost of the loan to the borrower whether the same is called interest or is claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording fees, fines, penalties or charges for inquiries, defaults or renewals or otherwise, and whether paid to or charged by the lender or paid to or charged by any other person, and whether fixed and determined by the loan contract itself, or in whole or in part by any other collateral contract or document by which the charges, if any, imposed under the loan contract or the terms of the repayment of the loan are effectively varied.

Then in 1956, without varying the definition of the interpretation of cost of loan, Parliament made some amendments to the act. I read from the Statutes of Canada (1956), chapter 46, section 1(c), the definition of "loan":

"Loan" means a loan made by a money-lender of not more than fifteen hundred dollars—

That was the maximum with respect to which the law was to be enforced.

—and includes the consideration for a wage assignment; and if, after deducting all payments, whether on account of interest, expenses or principal, made by the borrower to the money-lender at or about the same time as a loan is made ...

I refer to section 3, chapter 46, dealing with the limitations on the cost of loans, and in order to make the problem abundantly clear may I read subsection (1).

No money-lender shall, in respect of any loan, directly or indirectly, charge, exact or receive, or stipulate for the payment by the borrower of, a sum of money as a result of the payment of which the cost of the loan exceeds an amount equivalent to the amount or rate prescribed by this section ...

It is to be remembered that the act was prescribing the maximum amount of charges that could be laid against small loans.

Hon. Mr. Roebuck: May I ask the honourable senator, has that act ever been challenged in the courts as being unconstitutional?

Hon. Mr. Wall: I do not think so, but I stand to be corrected.

In any event, honourable senators, I respectfully urge that this problem of constitutionality be pursued further in committee, because I have the feeling that perhaps the balance will be found to rest on the side of the constitutionality of Bill S-25. On this aspect of the debate the matter resolves itself into a choice, and I put it in the form of a question: Do we refuse to explore further this important and helpful legislation and discard it out of hand, or do we permit it to proceed to the committee stage where the matter can be considered in all its aspects?

Further, honourable senators, under head 27 of section 91 of the British North America Act, Parliament has jurisdiction over criminal matters. I know that what is criminal in one period in our historical development may not be criminal in another, and vice versa; yet, to me it seems that, living in a highly complicated and mechanized society, there may be something akin to fraudulence and criminality in not disclosing clearly and unequivocably all information to borrowers when they are entering into their loan obligations, if—and I emphasize the word "if"—this is in fact being done by some lenders in one form or another. I believe that there are judgments of the Privy Council and of the Supreme Court which interpret criminal law in a reasonably broad sense, always subject to what Parliament clearly declares to be a criminal act at a given point in our overall societal development.

For example, back in the 1890's Parliament declared certain commercial transactions to be prejudicial and harmful to the public interest, and therefore criminal in nature and punishable by court proceedings. I am thinking of the Combines Investigation Act and certain sections related thereto in the Criminal Code. In fact, at this very moment the other house is debating suggested changes or alterations to the Combines Investigation Act. I mention this fact only to underscore that these changes are clearly within the competence of Parliament, because it has exclusive jurisdiction over criminal matters. I am sure that others more learned than I would be able to document this ordinary layman's contention, namely, that this bill may be regarded as constitutional because it deals with certain aspects of commercial transactions that may be judged harmful or prejudicial to the public good, and therefore definable by Parliament as aspects of our economic life subject to criminal law jurisdiction.

I am not attempting to becloud the issue, but I want to insist that this issue of constitutionality is not clear and that it merits further exploration in committee.

If this bill is constitutional, and if it meets with approval of Parliament in this or in an amended form, then I believe it would modify pre-existing provincial and federal legislation to the extent of what the new act would say. In other words, the Interest Act and the

Small Loans Act would remain law, but this subsequent act relating to the disclosure of finance charges on loans would have to be complied with.

I wish to stress again the qualification I made in one of my preceding statements when I dealt with non-disclosure of information regarding finance charges on loans. I said, "if this is in fact being done by some lenders . . .". Honourable senators, I have no wish and no reason to be unfair or unjust to honest and reliable lenders who do give to their borrowers the kind of information and in the kind of way that this bill envisages. In this connection, I wish to stress that I fail to see how this bill can be construed as an attack upon reputable lenders, who are undoubtedly now giving to each of their clients the kind of information we are talking about. To me, the significant thing in the bill is that it proposes to put all lenders on the same informational footing, so to speak, and I see nothing wrong with this basic proposition. However, I am inclined to agree that the definition of "lenders" is very broad, and that we should consider this definition carefully in committee to see if some lending institutions like banks and credit unions, trust and insurance companies, the Central Mortgage and Housing Corporation and other approved lenders should be specifically excluded from this prescription, mainly because I believe they do furnish their clients with this kind of needed information.

Honourable senators, the problem of calculation difficulties has been brought up and partially documented. My comment simply is this, that if—with their trained staffs, with their interest tables and with their mechanical calculators—it is indeed so difficult for the lenders to make these simple interest relationship calculations with reasonable facility and reasonable accuracy, then what about the poor borrower?

Hon. Mr. Brunt: Did you say "simple calculations"?

Hon. Mr. Wall: What about the poor borrower? The plea was made for the thousands of retail dealers in regard to the burden connected with the computation of these charges. I may be wrong, but I believe that in most cases the small dealers act as agents, in a way, for instalment finance companies. That is, they use their forms and they use their calculations, and in this aspect I believe that these finance companies would be reached and would be responsible indirectly. However, I would like additional evidence regarding the applicability of this bill to these instalment finance companies, which is a contention which has been advanced and which perturbs me a great deal.

The honourable senator from Hanover (Hon. Mr. Brunt) referred to the fact that the penalty section may be so interpreted that in the event of non-disclosure of information the borrower may legally refuse to pay even the loan that was made. I do not believe that this was, or is, the intent of the bill, and I agree with the honourable senator from Inkerman (Hon. Mr. Hugessen) that what is referred to is the balance of the finance charges. However, this matter, too, can be given further adjudication in committee.

What is interesting to me is that the bill is giving the borrower double protection, namely—and here I am subject to correction —(1) the aggrieved borrower may lay a charge, or (2) he may refuse to pay the outstanding finance charges.

In closing, honourable senators, I may say that I have tried to understand and to appreciate the criticisms which have been advanced about the constitutionality, the practicability, the applicability and the effectiveness of this proposed statutory instrument concerning the mandatory disclosure of finance charges levied against loans, and I have learned much from the debate. I appreciate that the subject-matter and the terminology in this bill are new and, apparently, controversial, even on constitutional grounds, but I want again to express my personal hope that we may think of the many thousands of little borrowers who are in need of additional protection, and that we may accept this bill in principle so that this legislation may be given further consideration and study in committee. I believe that the bill is important, although it may need amending to make it a better and more effective statutory instrument to do the kind of work it is intended to do. Whatever the problems are that this bill may raise, they can be adjudicated, studied and debated further either here or in committee.

I am persuaded by the converse to the proposition contained in this bill, namely: Why should we not have a statutory provision enacted by the Parliament of Canada to obligate all lenders to tell each of their borrowers in straightforward and easily understandable terms the sum total of all debt or loan charges, whatever their form or purpose, and the relationship of these debt charges to the outstanding balances, expressed in terms of simple annual interest? Why should the law not entitle every borrower to this basic information about finance charges expressed by each lender in the same simple and easily understandable terms?

My approach to this legislation may be termed idealistic, but I am convinced that this extension of protection to small borrowers, in the form of this kind of essential

information so that the borrower may make better value judgments, and by which there may be more effective competition, will prove to be beneficial and will be welcomed by all thoughtful Canadians.

Hon. Muriel McQ. Fergusson: Honourable senators, my contribution to this debate will be very brief, and it will be neither brilliant nor learned, as have been the speeches which have preceded mine. It seems to me that the bill that has been introduced by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) to make provision for the disclosure of information in respect of finance charges is an attempt to deal with what I believe to be one of the most serious social problems of our time, and I congratulate him upon bringing this problem to the attention of the Senate and of the country.

This is a matter in which the Canadian Association of Consumers—which, I may tell you, is dedicated to the protection of the consumers of Canada—has been greatly interested for a long time. The honourable junior senator from Winnipeg (Hon. Mr. Wall) referred to a letter he has received, and which I presume you all have received, from the association on this matter. I should like to mention briefly one part of that letter. It says that for years the members and local branches of the association throughout Canada have forwarded representations and resolutions urging that steps be taken to secure legislation which will require all loan or sales contracts involving credit to state clearly the full cost of the loan to the borrower; that is, that all the charges, both service and interest, be clearly explained to show the effective annual interest rate. That is really the object of the bill before us.

There are other people in Canada, such as those persons requiring mortgages, particularly second mortgages, who are not organized and are not so articulate as the Canadian Association of Consumers, but who, as many of us know, suffer greatly because of the system under which they are now required to pay for credit extended to them.

Unquestionably, under our present system of instalment buying and of securing money on second mortgages many abuses of credulous, naïve, ignorant and unthinking people are taking place. Welfare workers have found that the reason why many families and individuals apply for financial assistance and other help, and also the cause of much family discord and distress, can be traced to financial difficulties which have come about through instalment buying by those families. Some solution to this cause of social ills must be found, and the sooner the better.

I am impressed, however, by the arguments of the honourable senator from Toronto (Hon. Mr. Hayden) and the honourable senator from Ottawa West (Hon. Mr. Connolly), and realize there is difficulty involved in setting a rate of simple annual interest, when in the finance charges there must be included fees, bonuses, service charges and discounts. Although I do not claim to have any expert knowledge of constitutional law, I too can see that there may be difficulties due to constitutional problems, particularly as to what Government has authority in this field.

Despite these difficulties, we cannot let time pass while we argue about them, when at the same time large numbers of Canadian people continue to suffer under existing abuses. To me this would savour too much of "fiddling while Rome burns".

As in the case of so many social problems, one of the most satisfactory ways to find a solution is to make sure that the public is well and truly informed about the facts of the situation. The honourable senator from Ottawa West suggested that this might be accomplished through a debate on a motion which, after it had served its purpose of drawing the attention of the public to the problem, could be withdrawn. This might draw sufficient attention to the problem, although sometimes very excellent debates in the Senate get little attention from the press and so do not ever reach the public. In my opinion this problem could serve as the subject of a thorough study by a committee of the Senate, similar to the study on inflation undertaken so efficiently last year by the Finance Committee of the Senate. Such a committee could delve into the causes and effects of this problem and could call expert witnesses. Because such a committee would in all probability receive more attention from the press than any Senate debate, it would serve to acquaint the public with the actual state of affairs. Many people, when actually made aware of the situation, might be guided to spend their money more wisely. Also, if knowledge of this problem and the actual situation were known more widely throughout this country Canadians would demand that legislation be passed in whatever field it is necessary to pass it.

However, honourable senators, there is no such study in progress and this is an urgent matter.

Hon. Mr. Aseltine: Would the honourable senator permit me to interrupt to ask a question?

Hon. Mrs. Fergusson: Yes.

Hon. Mr. Aseltine: Would she be in favour of making a motion to the effect that the

subject-matter of this bill be referred to a committee, say the Banking and Commerce Committee, before the bill is read the second time?

Hon. Mr. Croll: No, no, no. That is an old trick.

Hon. Mr. Brunt: The honourable Leader of the Government (Hon. Mr. Aseltine) has only asked a simple question.

Hon. Mr. Roebuck: That would be like giving it the six months' hoist.

Hon. Mrs. Fergusson: I would not be in favour of such a move, but I did have in mind that if the bill does not pass as I hope it will, the subject might be brought up on another occasion.

I am entirely in sympathy with the principle of this bill, and although I know there would be difficulties in putting it into effect, I am certainly not convinced that these difficulties could not be overcome. I will support the bill.

Hon. Cairine R. Wilson: Honourable senators, as the honourable junior senator from Winnipeg (Hon. Mr. Wall) covered this subject so extensively, and was followed so ably by the honourable senator from Fredericton (Hon. Mrs. Fergusson), there is practically nothing left for me to say. I should like to support both those speakers, and hope that the bill will be sent to the Standing Committee on Banking and Commerce for study.

I have continued to marvel at the increasing number of loan companies. I recall that several sittings of the Banking and Commerce Committee during one session of Parliament were devoted to a discussion of the application of the Household Finance Corporation for incorporation in Canada. At that time the question was taken to the Russell Sage Foundation. We thought the company's rate was unduly high, for it amounted to 2 per cent a month, but we were told by the Russell Sage Foundation that it was better to have a corporation which felt responsible and did its best to enlighten its borrowers and assist them with their budgeting than to allow a multitude of smaller lenders to exact whatever toll they desired.

I wholeheartedly support the principle of the bill and hope that the constitutional difficulties may be overcome.

Hon. R. B. Horner: Honourable senators, I will be only a minute or two. During this debate someone mentioned the possibility of excluding the banks from the provisions of the bill. I would not go that far, but it annoys me to find that the man in the poorest circumstances pays the highest rate of interest, even to the banks. I used to have many an argument 50 years ago in the west on this subject. I said, "That's your idea of helping to equalize the wealth, to charge the poor man the highest rate of interest." So I cannot do much other than support the principle contained in this bill.

Hon. Norman P. Lambert: Honourable senators, with great respect for those who have already spoken on behalf of the bill so enthusiastically and ardently presented by my honourable friend from Toronto-Spadina (Hon. Mr. Croll), I must say that I have some definite doubts about it. For one thing, apart from the area that is already covered by the Small Loans Act, which has been discussed in our committees before this time, an area exists in which the honourable senator from Toronto-Spadina thinks there are abuses and difficulties of sufficient volume to justify further legislative restrictions in connection with the extension of credit.

I must say I feel that the prospect he has suggested requires a good deal more authentic outline and specification than I can appreciate at the present time. For that reason I should like to see more evidence given to support the claims he has made here about the plight of the poor people who place themselves so helplessly in the hands of lenders rather than determine their own business without so-called protective influences from the State. I should like to have that picture made clearer to me than it is now. I can say that, based on the figures quoted by my honourable colleague from Ottawa West (Hon. Mr. Connolly), the business of extending credit in this country, as well as in the United States, has become a very, very formidable factor in our mode of life. I do not think it can be written off or changed materially at the present time by legislation of this kind. There is an economic basis of existence, especially for the younger generation who were thrown back on society following World War II, which necessitates their having to borrow money or get credit in order to establish themselves in life and to support their homes and families. Now, if they want to start out in life again as civilians, to engage in business or in some kind of profession, in our society they are entitled to live, and to live in a decent way. The only way open to them is to get credit in order to provide themselves with what they consider to be the necessaries of life. Whether that standard is too high or too low is not, in my opinion, for the state to say. That brings one back to what is the role of the state in determining whether or not individuals are capable of running their own affairs. I find it distasteful—possibly my honourable friend from Toronto-Spadina

(Hon. Mr. Croll) would call my attitude one of *laissez faire*—to employ the state as an agency to intervene between the borrower and the lender in relation to any project they want to undertake. If any progress is to be made in this country in the way of responsible management or ownership, surely it must be done as the result of the development of a maturity of mind so that people will realize the values involved. We all know of the precautions that were taken years ago to defend the western farmers from overloading themselves with farm machinery through lien notes, and how provincial legislation was introduced against that. I doubt very much if it worked out very satisfactorily for all concerned, because a reaction from interference of that kind is bound to occur against the promotion or extension of business on that basis.

Honourable senators, I simply come back to the principle of the bill, which is definitely the employment of government and legislation to interfere with what should be the ordinary, normal relationship between a buyer and a seller. I think there is good ground also, apart from the principle of the bill, to regard seriously the citations made by the honourable senator from Ottawa West yesterday, to the effect that proposed legislation of this kind is *ultra vires* of the federal jurisdiction. For that reason I must oppose the bill in principle, but at the same time I should like to see further light shed on it and more information given regarding the representations made by my honourable colleague from Toronto-Spadina.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 449 to 463, which were presented yesterday.

On motion of Hon. Mr. Roebuck, Chairman of the committee, reports adopted.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 2, 1960

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

Prayers.

DOCUMENT TABLED

Hon. Mr. Aseltine tabled:

Copy of the estimates of expenditure and budget of the National Battlefields Commission for the year ending March 31, 1961, approved by Order in Council P.C. 1960-502 of April 13, 1960, as required by section 80(2) of the Financial Administration Act, Chapter 2, Statutes of Canada, 1951. (English text).

TRANS-CANADA HIGHWAY BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill C-57, to amend the Trans-Canada Highway Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

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

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Hon. Calvert C. Pratt: Honourable senators, as I expect to be absent from the chamber next week when this bill will likely be before the house for third reading, may I have permission of the house to say a few words at this time?

The Hon. the Speaker: Agreed.

Hon. Mr. Pratt: Honourable senators, in the debate on the second reading of this bill there was considerable comment with regard to the extensions of time for highway construction and the period to be covered by the appropriations. One or two honourable senators remarked that they hoped this would be the last occasion on which Parliament would be asked to vote money for this highway. I do not agree with that view. If the provinces are to have the opportunity to participate in and spend their relative share of the national highway cost, federal money must be made available under the present agreement and any amended agreement that may be extended into the future.

Money appropriated for the building of the Trans-Canada Highway must not be regarded as a throw-away fund, as some seem to view it. It is an appropriation for the financing of an essential public service in Canada. Indeed, this national highway is a vital factor in the present development of Canada, and is one of our great national projects.

While I am not making any comparison of their relative importance, I think the Trans-Canada Highway can be placed in a class with the railways, telegraphs, air services and other great national undertakings.

The sharing of the costs, federal and provincial, on a 50-50 basis right across the country was a weak arrangement and not properly applicable to Canada as a whole. One pattern of payment for all provinces is wrong. There are many factors to be considered with respect to the amount involved and the percentage of payment, in relation to each province. No two provinces are similar in the way in which they can meet their requirements in this respect. The nature of the terrain over which the road must pass differs in different provinces, and mileage construction costs vary a great deal as between one province and another. Then, provincial income has to be considered, and just how much money is available in each province to meet its particular share of the cost, and in this connection regard must be had to the *per capita* income of the various provinces. All these factors have a direct relationship to each province's obligation to pay its share that has been fixed on an across-the-board pattern for the whole of Canada.

Newfoundland has some very special circumstances and needs. It is not so many years ago that the people there generally moved from place to place by boat. The one primary industry, fishing, has given place to diversified industries, and the pulp and paper industry is now at the top of the list. At the present time more revenue comes into Newfoundland from that industry than from any other. Mining also has become a big industry. The discovery of mines and mineral development does not follow roads and highways, and whenever there is a mining development, as there is in many parts of Newfoundland today, access roads have to be constructed in order to service the areas concerned.

Manufacturing industries are becoming more and more diversified in Newfoundland and new roads are needed to service them. We need in these times local roads to service our fishing industry. It is only feasible to have cold storage plants and freezing depots in comparatively few fishing communities,

so roads have to be developed to transport the fish to the freezing plants and bait from the bait depots.

There is one outstanding prospect for Newfoundland for which the Trans-Canada Highway is absolutely essential. I refer to the tourist industry. Until Newfoundland has good through roads comparable to those in other provinces it will remain unknown to the rest of the people of Canada except for what they may read about it in advertising literature. The natural scenic tourist attractions of Newfoundland are unexcelled in Canada. I am not saying they are better than can be found anywhere else, but I would certainly say the general impression of people coming to our province is that they are just as good. Our bays and inlets as well as our rivers and country scenes equal those of any part of the dominion. We must have good roads. Otherwise we shall not be able to build the hotels, motels and other facilities that are needed to attract tourists. You cannot develop a resort unless there is a good road leading to it. In this respect the Trans-Canada Highway is of special importance to Newfoundland. Without it we simply cannot provide the facilities to build up a worthwhile tourist trade.

I think we were a bit off the track in having to pay for the Trans-Canada Highway. It is my absolute conviction that when Newfoundland became a province of Canada a standard gauge line for our railroad should have been an essential factor and made a condition of Union or, as an alternative, the federal Government should have provided a highway throughout the province. I think, therefore, that the Government of Canada should now give special consideration to Newfoundland in the financing of this very essential project. The people of Newfoundland got none of the public services of Canada whose costs were part of the public debt at the time of Union, although by becoming Canadian citizens they automatically assumed their share of the outstanding national obligations.

The total length of the Trans-Canada Highway laid out for Newfoundland is 554 miles, and it cannot be any less because it has to go through the area where most of the people live and where they have their occupations.

Honourable senators, I mention these few facts now because I want to stress the need for special consideration for Newfoundland in this matter. As I said before, we should be able to avoid having to follow a pattern which is not properly applicable to our province.

The average number of miles of the Trans-Canada Highway in relation to population is an important matter. Taking the nine provinces that are participating, the average is 2.9 miles per 10,000 people. In Newfoundland there are 12.2 miles per 10,000 people. Taking the Atlantic provinces as a unit, Newfoundland has 24 per cent of the total population, but requires 42 per cent of the total Trans-Canada Highway mileage. To put it another way. The population of Newfoundland is 32 per cent of the total population of the other three Atlantic provinces, but is obliged to build as much as 72 per cent of the total Trans-Canada Highway mileage in those three provinces. Recently it was officially stated that of a total of 4,491 miles throughout Canada, 2,373 miles had been paved according to Trans-Canada Highway standards, and about 800 miles are practically ready for paving. More than half of the total mileage throughout Canada has been completely finished. In Newfoundland, of 554 miles only 63 miles have been completely finished, roughly about 11 per cent, as compared with over 50 per cent finished of the total in the other provinces. Newfoundland has yet to build by far the largest proportion of any of the provinces.

Payments recently reported as made to all the participating provinces amount, in round figures, to $260 million, and Newfoundland has been paid $19,700,000. Had the same percentage of mileage been built in Newfoundland as in the other provinces, Newfoundland would have received over $14 million more by this time. On so big a project as this, and considering the expense involved, the province of Newfoundland has not the funds to keep pace with the other provinces, or most of them, in paying 50 per cent of the cost of building this highway. Opinion has been publicly expressed that $60 million more will have to be paid by Newfoundland for the completion of the highway. That would mean that the completion of the Trans-Canada Highway in Newfoundland would have to be spread over—I don't know how many years, but let us say ten years or maybe longer.

I will not go into any more detail in this matter. I just want to bring to the attention of honourable senators that our province has a very great need for this highway project and also that it has a case, and a very definite and good one, for special consideration for a revision of the percentage of cost to be borne by the federal government.

In the past ten years Newfoundland has had to build a tremendous number of local roads, totalling altogether about 1,600 miles. They are mostly gravel roads, which were necessary to meet changing conditions, industrial and otherwise in our province.

I certainly hope that very special consideration will be given to the ability of Newfoundland to pay, as well as to the need for

getting this highway completed without undue delay. The time has come for the federal and provincial Governments to get together and work out a plan whereby the federal participation of cost will be such as to enable Newfoundland to go ahead and finish the project. I hope that some formula will be worked out.

My remarks this afternoon are directed to the bringing of this matter to the attention of honourable senators and the federal Government.

Hon. Mr. Smith (Queens-Shelburne): Would the honourable senator from St. John's West (Hon. Mr. Pratt) permit a question? Would he tell me whether his remarks should apply also to the other provinces of the Atlantic region?

Hon. Mr. Pratt: I would say they would apply in respect to any special circumstances existing in each province. I thought I made that point clear. I was speaking particularly on behalf of the province of Newfoundland and the very extraordinary circumstances that exist there, but it may be that there are factors in the other Atlantic provinces which should be taken into consideration and that some adjustment should be made.

Hon. Gordon B. Isnor: Honourable senators, I would like to compliment the honourable senator from St. John's West (Hon. Mr. Pratt) for bringing this question and problem before us, and I quite agree with him that consideration should be given to the extension of time, if necessary, in the case of Newfoundland. Nova Scotia's situation is a little different. I may say, in reference to the question asked by the honourable senator from Queens-Shelburne (Hon. Mr. Smith), that many years ago Nova Scotia started out to build good roads and it has done an exceptionally fine job. Because of that perhaps it does not require the same assistance as some of the other provinces may. I am thinking particularly now of the Prairie provinces, which did not have good roads when this legislation was introduced, in 1949, and therefore they went into the scheme wholeheartedly. On the other hand, in Nova Scotia we had a system of good roads but we still require assistance on the widening of certain roads, particularly. And I was rather surprised that the sponsor of the bill (Hon. Mr. Blois) did not bring out this point, coming as he does from Truro, that for years it has been advocated that there be a cross-country Trans-Canada Highway connection from Truro to Yarmouth. I would urge the honourable Leader of the Government (Hon. Mr. Aseltine) to bring this to the attention of the Minister of Public Works with a view to having that portion from Truro to Yarmouth linked up for the greater convenience especially of United States tourists entering this country by the Yarmouth-Bar Harbour ferry.

It is not generally recognized, although it is known to the members of the Committee on Transport and Communications, that in nearly every province in Canada the Trans-Canada Highway has a connecting link with the provincial capital. But in Nova Scotia, from the nearest point of the Trans-Canada Highway to Halifax is 62 miles. Now I think that is a great mistake, a mistake on the part of either the federal or the provincial department, it does not matter which. There happened to be a Liberal Government in power in the province when this legislation was brought into effect—and a good scheme it was—by the Hon. R. H. Winters. He put it through, but for some reason or other they did not connect the highway with the capital, Halifax.

Hon. Mr. Aseltine: They by-passed Halifax?

Hon. Mr. Isnor: Yes, which was a great mistake. And this year we have heard, and I hate to mention this—

Hon. Mr. Brunt: Oh, no, you don't, you just love to mention it.

Hon. Mr. Isnor: This year I notice that the Conservative party in Nova Scotia says it is going to spend $200 million on our highways. Just think of that, $200 million placed before the people of Nova Scotia! It sounds good, but I am wondering where it is going to spend that amount of money. I inquired of the officials who appeared at this morning's meeting of the committee dealing with this bill, and I was assured that there were no such representations made, nor would the amount be greater, by my figuring, than $800,000 to be spent by the federal Government in connection with the Trans-Canada Highway in Nova Scotia.

I just wanted to make these few remarks to compliment the honourable senator from St. John's West (Hon. Mr. Pratt) upon placing the problem before the house, and to urge the honourable Leader of the Government to endeavour to have special consideration given to the Maritime provinces, the Atlantic provinces, in this matter.

Hon. Mr. Pratt: Honourable senators, may I just say a further word in answer to my friend from Queens-Shelburne (Hon. Mr. Smith), who asked a question a moment ago. I do not want to be misunderstood. The circumstances in the other Atlantic provinces may be such as to warrant special consideration, and I do not look begrudgingly on any effort of those provinces to get something to meet their particular needs.

I want to emphasize, however, that the circumstances of the province of Newfoundland in some respects are different from

those of any other province. Indeed, they are unique. To a great extent, but not entirely, that situation is due to the fact that it is a new province and some of its public services are so far in arrears that very special conderation by the federal Government is essential.

Hon. Donald Smith: Honourable senators, I do not wish to prolong this discussion, but I should like to make a few remarks to clarify my question.

Had my honourable friend from St. John's West (Hon. Mr. Pratt) answered my question in the affirmative, I would have adopted everything he said for my own province of Nova Scotia. We too face difficulties in meeting the cost of building highways, though perhaps not to the same degree as Newfoundland does.

I do not know whether honourable senators appreciate it or not, but in my province we have a gasoline tax that is one of the highest, if not the highest, in the country; we have an automobile and truck registration fee that is one of the highest, if not the highest, in all Canada; and we have a sales tax that is one of the highest, if not the highest, of any Canadian province. On top of that, we in the Atlantic provinces have the lowest *per capita* income and the lowest base from which to derive additional funds through taxation of any part of Canada.

I should like to repeat what I said in committee this morning. I did not expect the representative of the Department of Public Works to make any comment on what I said, but I believe it is necessary that that department be authorized some time to take a closer look at the situation in those provinces which have not been able to complete their sections of the Trans-Canada Highway, with a view to having these links in the system completed before many years pass. In this rapidly moving economic age, if we are ever going to catch up with this national project we must give full recognition to the taxing abilities of those provinces now struggling with transportation costs.

Honourable senators, that is all I intend to say at this time.

Hon. A. K. Hugessen: Honourable senators, I have a great deal of hesitation in intervening in this discussion, since I do not come from the Maritime provinces. All I wish to do is say to the house that when the honourable senator from Colchester-Hants (Hon. Mr. Blois) explained this measure on May 19 he submitted a series of tables which appear in *Hansard* for that day. At the top of page 634, in Table 5, headed "Summary of Contractual Commitments", figures for each of the provinces are given in three different categories: first, total commitment approved in the province; secondly, the dominion's share of that commitment; and thirdly, the dominion's share paid to date. Those figures cover operations from the inception of this legislation in 1949 to April 23, 1960. At the meeting of the committee this morning some honourable senators wished to have those figures brought up to date, and we were informed that they would be made available for the period between April 23, 1960 and May 28. A comparison of the figures given in *Hansard* of May 19 with the new figures would enable honourable senators very quickly to determine how many additional commitments have been made in the intervening period. I wonder if honourable senators would be good enough to allow this table to be printed in today's *Hansard*, so that when the bill comes up for third reading, which I expect will be at the next sitting, my honourable friends will have the additional information in their hands.

Hon. Senators: Agreed.

TRANS-CANADA HIGHWAY

SUMMARY OF CONTRACTUAL COMMITMENTS

December 10, 1949 to May 28, 1960

Province	Total commitment approved	Canada's share including additional 40%	Canada's share paid to date
	$	$	$
Newfoundland	40,754,790.80	26,295,811.17	19,812,381.91
Prince Edward Island	9,101,695.78	5,881,243.00	4,979,962.09
Nova Scotia	22,301,424.21	15,812,286.77	10,395,086.92
New Brunswick	51,749,079.91	34,300,334.71	30,384,347.28
Quebec	—	—	—
Ontario	180,712,229.50	104,475,689.00	75,589,390.59
Manitoba	33,150,701.15	18,896,186.58	16,429,304.26
Saskatchewan	27,837,759.07	15,904,024.55	15,252,461.19
Alberta	37,022,807.57	22,142,805.16	20,559,000.98
British Columbia	166,267,828.86	95,799,968.62	66,939,901.30
Totals	568,898,316.85	339,508,349.56	260,341,836.52

Motion to place bill on Orders of the Day for third reading at the next sitting agreed to.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, the 7th day of June, 1960, at 8 o'clock in the evening.

Motion agreed to.

DEPARTMENT OF NATIONAL DEFENCE

PAYMENTS TO CIVILIAN AND SERVICE PERSONNEL IN NOVA SCOTIA, 1956-59

Hon. Donald Smith inquired of the Government, pursuant to notice:

What was the total expenditure by the Department of National Defence during each of the fiscal years 1956-1957, 1957-1958, 1958-1959 in Nova Scotia in respect of

(a) Salaries and wages of civilians;

(b) Pay and allowances of service personnel?

Hon. W. M. Aseltine: The answer to the honourable senator's inquiry is as follows:

	(a) Civil salaries and wages (Including Corps of Commissionaires)	(b) Pay and allowances of service personnel
	$	$
1956-57	20,399,275	52,820,839
1957-58	22,581,418	57,180,536
1958-59	24,648,800	59,312,169

PRIVATE BILLS

WAWANESA MUTUAL LIFE INSURANCE COMPANY—THIRD READING

Hon. Olive L. Irvine moved the third reading of Bill S-33, to incorporate The Wawanesa Mutual Life Insurance Company.

Motion agreed to and bill read third time and passed.

WAWANESA MUTUAL INSURANCE COMPANY—THIRD READING

Hon. Mrs. Irvine moved the third reading of Bill S-34, respecting The Wawanesa Mutual Insurance Company.

Motion agreed to and bill read third time and passed.

NORTHWEST TERRITORIES BILL

SECOND READING

Hon. George S. White moved the second reading of Bill C-60, to amend the Northwest Territories Act.

He said: Honourable senators, this bill to amend the Northwest Territories Act is similar in nearly every respect to the bill amending the Yukon Act which received second reading yesterday.

The first clause of this bill is with respect to Territorial ordinances in regard to game. As I explained yesterday, the game in the Territories is under their own jurisdiction, but in a court decision of a year ago this jurisdiction was questioned for the first time, and this amendment is to make it perfectly clear that the Territorial authorities have power to deal with game.

The second change provides that a judge of the Territorial Court of the Yukon is *ex officio* a judge of the Territorial Court of the Northwest Territories. The same provision is in the Yukon Bill.

The third change also is in the Yukon Bill. It authorizes the Governor in Council to appoint a deputy judge, and to fix his remuneration and allowances.

Clause 5 provides that the Court of the Northwest Territories may sit in the Yukon, and clause 6 provides for a Court of Appeal consisting of the Chief Justice of Alberta, the justices of appeal of Alberta and the judges of Territorial Courts of the Yukon and the Northwest Territories.

There is one change that does not appear in the Yukon Bill, and it is to be found in clause 7. This has to do with the question of probate in the Territories. Up to the present time the courts in all the provinces have jurisdiction concurrently with the Territorial Court in matters of probate. This amendment will limit this concurrent jurisdiction to the area outside the Mackenzie district. Within the Mackenzie district the jurisdiction of the Territorial Court in probate matters will be absolute.

I would like to point out that serious consideration has been given to extending this absolute jurisdiction in probate matters to the whole of the Territories, but it was concluded that unreasonable inconvenience and expense would be caused to executors and heirs if they had to go to Yellowknife and involve themselves in probate proceedings with respect to property situate beyond the Mackenzie district.

The final provision in the bill is the same as in the Yukon Bill, that the Governor in Council may in special circumstances authorize payment to a justice of the peace of remuneration and of travelling and other expenses incurred by him in the performance of his duties.

Honourable senators, when the bill receives second reading I will move to have it referred to the Standing Committee on Banking and

Commerce. Officials from both the Department of Justice and the Department of Northern Affairs and National Resources will be present to give any details required by honourable senators.

Hon. A. K. Hugessen: Honourable senators, after the clear explanation of this bill that we have received from the honourable senator from Hastings-Frontenac (Hon. Mr. White) I do not think there is anything that needs to be added. Apparently there are two principal provisions of the bill. The first authorizes the commissioner to make regulations in respect of game in the Northwest Territories that are to be applicable to Indians and Eskimos. I assume that there is very good reason for that provision, but I trust that when the bill goes before the committee it will be ascertained that there is no interference with any of the treaty or other rights of the Indian and Eskimo population in respect to that particular matter.

The second provision calls for the establishment of a Court of Appeal for the Northwest Territories, and, as the mover said, this is substantially similar to a provision to the same end in the Yukon Bill that was given second reading yesterday.

This house has always looked with a very friendly eye upon legislation which has come to it from time to time relating to the Northwest Territories. We have always been greatly interested in development there. Only a year or two ago, I recall, there was a bill which provided for further direct representation by election of members to the Northwest Territorial Council, and I think we all heard with a great deal of appreciation the very interesting remarks by the honourable senator from Medicine Hat (Hon. Mr. Gershaw) yesterday afternoon as to the progress in that district in general.

I am glad my honourable friend (Hon. Mr. White) intends to send the bill to committee, because when the committee meets I would like to have one question clarified in my own mind. It is with respect to clause 2 of the bill, which is similar to a clause in the Yukon Bill, and which reads:

> All laws of general application in force in the Territories are, except where otherwise provided, applicable to and in respect of Eskimos in the Territories.

I wonder why it is necessary to say that. There is probably some very reasonable explanation for it. Looking at it offhand, however, it seems to be a rather strange provision to be inserted in this bill, and similarly in the Yukon Bill. Perhaps the explanation can be obtained in committee.

Hon. Mr. White: The only reply I can give the honourable senator from Inkerman (Hon. Mr. Hugessen) in reference to section 2 is that in reading excerpts from the judgment which brought about these changes I find the court gave the opinion that the game laws did not apply to Eskimos; and, despite the fact that in the Northwest Territories Act there is a list of things over which the Commissioner in Council has jurisdiction, the act especially provides for the preservation of game. This also applies to the legislation respecting the Yukon.

I quite appreciate what the honourable senator has said. He has raised a technical-legal question and I would prefer, if he is agreeable, to have someone from the Department of Justice answer it. Reference is made in the judgment to the Eskimo Treaty. I do not hold myself an expert in that, but I am sure a satisfactory explanation can be given in committee.

Hon. Mr. Hugessen: That points up what I said a few minutes ago. There may be some treaty rights being interfered with here and we should be very careful that we are not taking them away without compensation.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, bill referred to Standing Committee on Banking and Commerce.

DIVORCE

BILLS—SECOND READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-402, for the relief of Peter Eric Bray.

Bill SD-403, for the relief of Gerard Lafond. (Annulment)

Bill SD-404, for the relief of Jessie Davis Hill.

Bill SD-405, for the relief of Grace Ruth Goldenberg Goldberg.

Bill SD-406, for the relief of Elsie Mae Freake Vardy.

Bill SD-407, for the relief of Gisele Fortin St-Laurent.

Bill SD-408, for the relief of Pauline Anne Elizabeth Cunliffe Hebb.

Bill SD-409, for the relief of Mary Violet Maloney Elm.

Bill SD-410, for the relief of Gillies Jacques.

Bill SD-411, for the relief of Bernice May Snow Oss.

Bill SD-412, for the relief of Guy Grenier.

Bill SD-413, for the relief of Margaret Mary Ryan Girvan Hollett.

Bill SD-414, for the relief of Caroline Petryshyn Was.

Bill SD-415, for the relief of Rhonda Lee Petersen Butt.

Bill SD-416, for the relief of Alexandra Protonotarios Kingsland.

Bill SD-417, for the relief of Frances Theresa Smith MacDonald.

Bill SD-418, for the relief of Anna Soltysik Slawinski.

Bill SD-419, for the relief of Wera Podkopaewa Kraska.

Bill SD-420, for the relief of Ronald Mugford.

Bill SD-421, for the relief of Ida Denis Matte.

Bill SD-422, for the relief of Sterling Norman Woods.

Bill SD-423, for the relief of Mary Wolloch Vineberg.

Bill SD-424, for the relief of Lotte Wilhelmine Schwitzer Hornig.

Bill SD-425, for the relief of Margaret Clare Haigh Marshall.

Bill SD-426, for the relief of Claire Syrek Stolovitz.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Roebuck moved that the bills be placed on the Order Paper for third reading at the next sitting.

Motion agreed to.

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 464 to 478, which were presented yesterday.

On motion of Hon. Mr. Roebuck, reports adopted.

The Senate adjourned until Tuesday, June 7, at 8 p.m.

THE SENATE

Tuesday, June 7, 1960

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

Prayers.

OLD AGE SECURITY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-63, to amend the Old Age Security Act.

Bill read first time.

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

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

Motion agreed to.

APPROPRIATION BILL NO. 5

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-67, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Bill read first time.

SECOND READING

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

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate, I would move the second reading of this bill now. It is of considerable importance on account of the fact that the money covered by the bill is being voted for the purpose of giving relief to the people of Chile.

Hon. David A. Croll: They want relief; they don't want money.

Hon. Mr. Aseltine: In the circumstances, I would ask leave to go ahead with the second reading now so that on Thursday next we may possibly have the royal assent.

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Aseltine: Honourable senators, this will be known as Appropriation Bill No. 5. As I have just stated briefly, its purpose is to give relief to the people of the Republic of Chile who a very short time ago suffered a great disaster. According to a telegram received by the Department of External Affairs from our Ambassador in Chile, the situation in that country is such that if Canada is to give any assistance it should be given immediately. Many thousands of people are homeless, with thousands of homes having been wiped out. The people are without medical and food supplies. I am told that no earthquake in modern history has caused so much damage to any country at one time. It was followed by huge tidal waves which wiped out harbours and roared up onto the land, destroying entire cities and towns.

In addition to the money which we are voting by this bill, I understand that a cheque for $10,000 has already been sent to the Government of the Republic of Chile for the purchase of necessary supplies. The Canadian Red Cross has come to the rescue and forwarded much needed relief.

Of the total of $1,600,000 being voted by this bill, $1 million is for the purchase and transportation to Chile of Canadian flour. I understand that the Government has arranged to purchase this flour, and that it will be forwarded to Chile without delay after the bill is passed. The remaining $600,000 is for the purchase and transportation to Chile of pork. That will buy one million pounds of pork at 60 cents a pound, which is the price the Agricultural Commodities Stabilization Board paid for it. Particulars of the vote will be found in the schedule to the bill. I understand that a copy of the bill was placed in each honourable senator's mail box, and another copy on each senator's file in this chamber.

Honourable senators, I am happy to be able to say that we are coming to the rescue of these very deserving people, and I hope the house will unanimously agree to our providing this relief.

Hon. W. Ross Macdonald: Honourable senators, I am sure all members of this house will be anxious to concur in this gift, and to have this produce sent to Chile, if it has not already been sent, as soon as possible. When the bill was presented in the other house it met with immediate approval. As the honourable Leader of the Government (Hon. Mr. Aseltine) has said, Chile has suffered a great disaster, first, from the earthquake, and afterwards from the tidal waves. Honourable senators probably saw on television last night some of the scenes of the disaster which is rampant in Chile at this time. Canada has representatives in Chile, and it is on their advice that this gift of pork and flour is being made.

I cannot add anything to what the Leader of the Government has said. Not only do we extend our sympathy in words, but we also

make this gift, hoping that we may relieve to some extent the suffering of the people in the disaster area.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. Aseltine: With leave of the Senate, I would move the third reading now.

Motion agreed to and bill read third time and passed.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled:

Further Supplementary Estimates (1) for the fiscal year ending March 31, 1961.

Copy of the capital budget of the Northern Canada Power Commission for the fiscal year ending March 31, 1961, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952, together with copy of Order in Council P.C. 1960-593, of May 3, 1960, approving same. (English text).

Report on Prairie Farm Rehabilitation and Related Activities for the fiscal year ended March 31, 1959, pursuant to section 12 of the Prairie Farm Rehabilitation Act, Chapter 214, R.S. 1952. (English text).

Copy of the communiqué on the meeting of the Prime Minister of Canada and the President of the United States of America, held at Washington, D.C., U.S.A., on June 3 and 4, 1960. (English and French texts).

VISIT OF PRIME MINISTER TO WASHINGTON

TEXT OF FINAL COMMUNIQUÉ

Hon. W. M. Aseltine: Honourable senators, with leave, I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the communiqué on the meeting of the Prime Minister of Canada and the President of the United States of America held in Washington, D.C., U.S.A., on June 3 and 4, 1960, tabled today, be printed as an appendix to the *Debates of the Senate* of this day.

Hon. W. Ross Macdonald: Honourable senators, I notice that the communiqué was published as an appendix to the *Hansard* of the other place. I have read the communiqué. I must say that it is comprehensive, perhaps, but not very informative. I am seconding the motion because I feel that we should have the communiqué on our records, as some honourable senator might like to refer to it at some time. I want to make it clear that it is just for that reason that I am seconding the motion.

Motion agreed to.

For text of communiqué see appendix to today's Hansard, *p. 765.*

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 479 to 492, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

BILLS—FIRST READINGS

Hon. Mr. Roebuck presented the following bills:

Bill SD-427, for the relief of Lucien Dubuc.

Bill SD-428, for the relief of Aino Maria Leinonen Knudson.

Bill SD-429, for the relief of Mildred May Ghenender Greenspon.

Bill SD-430, for the relief of Gordon Lang Cheesebrough.

Bill SD-431, for the relief of Charles Guy Comeau.

Bill SD-432, for the relief of Frida Rosen-Deutcher Falovitch.

Bill SD-433, for the relief of Elizabeth Giliaeff Jahn.

Bill SD-434, for the relief of Myrna Ada Webber Neiman.

Bill SD-435, for the relief of Ellery Gordon Duncan.

Bill SD-436, for the relief of Sarah Wolman Rothman.

Bill SD-437, for the relief of Dragan Baljak.

Bill SD-438, for the relief of Glenda Ruth Warren Meades.

Bill SD-439, for the relief of Robert Hugh Parker.

Bill SD-440, for the relief of Catherine Hetty Dawson Gilbert Cathcart.

Bill SD-441, for the relief of Sheila Alexandra Anderson Williams.

Bill SD-442, for the relief of Georges Justin Goeury.

Bill SD-443, for the relief of Gabrielle Labranche Bisaillon.

Bill SD-444, for the relief of Maurice Joseph Martel.

Bill SD-445, for the relief of Ula Geraldine Taylor Gauthier.

Bill SD-446, for the relief of Margaret Veronica Stacey Abraham.

Bill SD-447, for the relief of Colette Bauer Landau.

Bill SD-448, for the relief of Margot Buerling Zich.

Bill SD-449, for the relief of Barbara Helen Watson Coones.

Bill SD-450, for the relief of Bertha Jacqueline Alice Sweetinburgh Glynne-Percy.

Bill SD-451, for the relief of Alphonse Taghon.

Bill SD-452, for the relief of Paul Morency.

Bill SD-453, for the relief of Mary Jean Frances Collins Park.

Bill SD-454, for the relief of Martine Simonne Georgette Krettly Lefebvre. (Annulment)

Bill SD-455, for the relief of Elizabeth Davis Reed.

Bills read first time.

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

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

Hon. Mr. Vaillancourt: On division.

Motion agreed to, on division.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "CLOSE-UP"

Hon. William H. Golding inquired of the Government, pursuant to notice:

1. What amount was paid to the self-confessed co-respondent in divorce cases for her appearance and interview on the program "Close-Up" last Thursday evening, May 26?
2. If this is the sort of program we may expect from the Canadian Broadcasting Corporation in their effort to build up what Canadians generally expected from radio and television, namely, a fine distinctive Canadian culture in Canada?

Hon. W. M. Aseltine: I have the following answer to the honourable senator's inquiry:

1. I am informed by the Canadian Broadcasting Corporation that statements of payments to individuals have been held not to be in the public interest as being detrimental to the position of the corporation in negotiating for such services for broadcasting.

2. Reporting on matters of public interest and concern is a basic responsibility of the corporation. In so doing the corporation is guided by the right of the public to be informed and by a policy which requires this to be done in a responsible manner. The corporation cannot forecast trends in matters of public interest which may be the subject of broadcasts in the future.

HON. CAIRINE R. WILSON

FELICITATIONS ON AWARD OF HONORARY DEGREE FROM GALLAUDET COLLEGE

Hon. Muriel McQ. Fergusson: Honourable senators, before the Orders of the Day are called I want to draw your attention to the fact that the honourable senator from Rockcliffe (Hon. Mrs. Wilson) has just returned from Washington, D.C. where she received, at Gallaudet College, located just outside that city, the honorary degree of Doctor of Letters.

Honourable senators will be interested to learn that Gallaudet College was founded in 1864 by a decree of President Abraham Lincoln. It is the only college in the world for deaf mutes. The Honourable Senator Wilson's family, the Mackays, through the Mackay Institution for Deaf-Mutes, have been associated with the education of deaf mutes in Canada for the past 84 years.

Honorary degrees from Gallaudet College are very limited, and only those who have given outstanding services are chosen to receive them. In this instance I am sure we all agree that the honour is well merited.

Hon. F. Elsie Inman: Honourable senators, I wish to support my honourable friend from Fredericton (Hon. Mrs. Fergusson) in her reference to the degree conferred on the honourable senator from Rockcliffe (Hon. Mrs. Wilson). We all know that the honourable senator has given of both time and energy throughout her life to the promotion of any cause worthy of attention. We feel this honour is well deserved, and it gives much pleasure to all her friends.

Hon. Cairine R. Wilson: Honourable senators these felicitations are most gratifying. I appreciate them all the more because they come from two members of my own sex. I feel that perhaps in this instance the honour was due not to me, but rather to the members of my family who, as the citation read, have given service to the deaf for four generations.

In a recent study of the history of the activity of my family in this field, I learned that my granduncle, Joseph Mackay, in 1876 came to the rescue of the struggling school for the deaf, which at that time feared it would be obliged to close. He offered to construct a building, and to furnish it to accommodate fifty deaf boys and girls. As far as I was able to read from his letter, the gift was quite unsolicited. Since that time there have never been less than two, and often there have been more, members of my family associated with this school. The present head is my nephew, Dr. Donald Mackay, who I am glad to say is taking a very active interest in the pupils and their education. Our immediate need is for a new building; the structure erected 84 years ago has to be replaced.

I hope that some honourable senators may at some future time have an opportunity to visit Gallaudet College. What impressed me most was that the land was granted and the enabling act passed in April 1864, during

the stress of the American Civil War. The act was signed by Abraham Lincoln. The college was granted about 90 acres of very valuable property in the vicinity of Washington, and I understand that today it holds about 64 acres.

I was quite impressed with the graduation ceremonies at the college. As graduate students are called to receive their degrees, if there is a Congressman present he gives the degree to the recipient from his own state. Our own Ambassador to that country told me that when in Washington he had always been present at the commencement exercises at the college. He presented degrees to two Canadians, one from Oakville, Ontario and, I am pleased to say, one from Dalhousie, New Brunswick, a graduate student from the Mackay School for the Deaf in Montreal.

TRANS-CANADA HIGHWAY BILL

THIRD READING

Hon. Mr. Aseltine, for Hon. Mr. Blois, moved the third reading of Bill C-57, to amend the Trans-Canada Highway Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-402, for the relief of Peter Eric Bray.

Bill SD-403, for the relief of Gerard Lafond. (Annulment)

Bill SD-404, for the relief of Jessie Davis Hill.

Bill SD-405, for the relief of Grace Ruth Goldenberg Goldberg.

Bill SD-406, for the relief of Elsie Mae Freake Vardy.

Bill SD-407, for the relief of Gisele Fortin St-Laurent.

Bill SD-408, for the relief of Pauline Anne Elizabeth Cunliffe Hebb.

Bill SD-409, for the relief of Mary Violet Maloney Elm.

Bill SD-410, for the relief of Gillies Jacques.

Bill SD-411, for the relief of Bernice May Snow Oss.

Bill SD-412, for the relief of Guy Grenier.

Bill SD-413, for the relief of Margaret Mary Ryan Girvan Hollett.

Bill SD-414, for the relief of Caroline Petryshyn Was.

Bill SD-415, for the relief of Rhonda Lee Petersen Butt.

Bill SD-416, for the relief of Alexandra Protonotarios Kingsland.

iBll SD-417, for the relief of Frances Theresa Smith MacDonald.

Bill SD-418, for the relief of Anna Soltysik Slawinski.

Bill SD-419, for the relief of Wera Podkopaewa Kraska.

Bill SD-420, for the relief of Ronald Mugford.

Bill SD-421, for the relief of Ida Denis Matte.

Bill SD-422, for the relief of Sterling Norman Woods.

Bill SD-423, for the relief of Mary Wolloch Vineberg.

Bill SD-424, for the relief of Lotte Wilhelmine Schwitzer Hornig.

Bill SD-425, for the relief of Margaret Clare Haigh Marshall.

Bill SD-426, for the relief of Claire Syrek Stolovitz.

Motion agreed to and bills read third time and passed, on division.

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from Wednesday, June 1, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Hon. John T. Haig: Honourable senators, I first want to thank the house for allowing this order to stand in my name until tonight. I probably am not as well qualified to speak on this subject as I might be, but I am interested in the problem behind the bill more than in the bill itself. The problems of obtaining small loans is common to all parts of the country, and I presume it is no more acute in Manitoba than elsewhere.

In my discussion of this bill I am going to ask a favour of my honourable friends, which you need not grant if you do not wish to. I did a little study of the present legislation in this field, because I thought it might help us in a general understanding of the measure if it is considered in committee. I took the liberty of asking our own Law Clerk to draft me a memorandum in short legal terms setting out the general provisions of the Small Loans Act passed in 1939. His memorandum, which I have here, has nothing to do with this bill, except that it tells us what the present legislation is. I gave no instructions in regard to composition of the

memorandum. I simply said that I would like to know what the provisions of the Small Loans Act are, and our Law Clerk very kindly gave me this. I thank him on behalf of myself and all of you for having done this work so efficiently. With the consent of the house I would like this memorandum to be printed with my remarks in *Hansard*.

Some Hon. Senators: Agreed.

Hon. Mr. Haig: Thank you.

Memorandum for the Honourable J. T. Haig.

Re: The Small Loans Act.

You have asked me to analyse the provisions of the Small Loans Act, first enacted in 1939, as it now appears in chapter 251 of the Revised Statutes.

It is an act to regulate and supervise the lending of money by all money-lenders as defined and small loan companies, and to control the cost of the loan to the borrower, under the general jurisdiction of the Superintendent of Insurance and the Minister of Finance. These are licensing provisions and control of the rates that may be charged and the disclosure that must be made in respect of money-lending.

The preamble to the act recites as follows:—

"Whereas it has become the common practice for money-lenders to make charges against borrowers claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording fees, fines and penalties, or for inquiries, defaults or renewals, which, in truth and substance are, in whole or in part, compensation for the use of money loaned or for the acceptance of the risk of loss or are so mixed with such compensation as to be indistinguishable therefrom and are, in some cases, charges primarily payable by the lender but required by the lender to be paid by the borrowers; and whereas the result of these practices is to add to the cost of the loan without increasing the nominal rate of interest charged so that the provisions of the law relating to interest and usury have been rendered ineffective . . ."

The following definitions, appearing in section 2 are of special importance:

"2. (a) "cost" of a loan means the whole of the cost of the loan to the borrower whether the same is called interest or is claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording fees, fines, penalties or charges for inquiries, defaults or renewals or otherwise, and whether paid to or charged by the lender or paid to or charged by any other person, and whether fixed and determined by the loan contract itself, or in whole or in part by any other collateral contract or document by which the charges, if any, imposed under the loan contract or the terms of the repayment of the loan are effectively varied;"

"(e) "money-lender" means any person other than a chartered bank who carries on the business of money-lending or advertises himself, or holds himself or itself out in any way, as carrying on that business, but does not include a registered pawnbroker as such;"

"(f) "small loans company" means a company incorporated by special Act of Parliament and authorized to lend money on promissory notes or other personal security and on chattel mortgages;"

It is thus apparent that the Act intends to cover *all* money-lenders, which are provincially incorporated and a comparatively few small loans companies, which are incorporated by Act of Parliament. All of these, as defined, are licensed and controlled as aforesaid. Everything depends on the "cost of the loan" as above defined.

Under the amendments made by the Parliament of Canada by chapter 46 of the statutes of 1956, the maximum loan which is controlled as to rates is $1500, and the provisions as to the "cost of the loan" which may be charged are substantially as follows:—

"3. (2) The cost of a loan shall not exceed the aggregate of

(a) two per cent per month on any part of the unpaid principal balance not exceeding three hundred dollars,

(b) one per cent per month on any part of the unpaid principal balance exceeding three hundred dollars but not exceeding one thousand dollars, and

(c) one-half of one per cent per month on any remainder of the unpaid principal balance exceeding one thousand dollars.

(3) Where a loan of five hundred dollars or less is made for a period greater than twenty months or where a loan exceeding five hundred dollars is made for a period greater than thirty months, the cost of the loan shall not exceed one per cent per month on the unpaid principal balance thereof."

E. R. Hopkins,

Law Clerk and Parliamentary Counsel.

Ottawa, June 6, 1960.

I would like to say something about small debts, because I know something about them. I live in a city where there are people who owe money. Those of us who are lawyers—maybe not the leading lawyers of Canada, but certainly lawyers—know something of this problem. We meet it every day. When you have been a politician in my country everybody knows who you are, and thinks he can consult you even though it may be twenty-five years since you were a politician. I have known a person to come in and say: "Mr. Haig, how are you today? I voted for you in 1924." I sometimes suspect that he voted against me, but somebody must have voted for me, because I did get the votes.

Up until 1939, when the Small Loans Act was passed, small debts were a difficult problem. The regular loan companies would not touch them, and I do not blame them for that. Let me give you an illustration. There was a man who worked for the Canadian Pacific Railway in a minor position at the station in Winnipeg. He bought a house, gave a mortgage to the builder, and then gave a second mortgage to another party. He had a fair salary and he had saved a little money, but maybe his wife got a little extravagant and money was spent. Things were not going so well and they needed money. He tried to get money in order to pay off that second mortgage, and after several attempts to borrow the money he finally went to a small loan company. That company lent him the money. Then his wife, driving the car on the street, was severely injured in an accident and went to hospital. There was no money to pay the bill.

What was that man going to do? He had four children, if I remember correctly. I knew

all about the case when I sent him to one of the small loan companies. I was asked if I would guarantee the loan, but I said I could not do that. I said that I knew the man, I knew he was honest, I knew he had not got the money because of all the sickness, I knew he had four children, I knew where he lived and I knew he could not get any more money on his house. The company said "Send him down", so I did. He got the much-needed money, his wife went to the hospital, and after a couple of months she was better and back at home.

That man later got into other difficulties. I don't remember just now what they were, but he needed money again and he came back to me. I said, "No, you are through." I am not sure what happened to him after that. Now, I don't know what that man would have done without help from that small loan company. Charitable organizations would not have given him any money, because he was earning about $150 a month, and also it would have been thought that he should not have had a car. Those are the facts of that case, and that kind of thing happens every day. These people wanting small loans would come into our office, and they would break down and cry. I did not blame them because they were in a situation where they had to have some money or perhaps they would be put out of the house. The small loan companies have moved in to fill the need of that class of people.

There were also the farmers who had bought new machines that cost $4,000 or $5,000. They ran them for three or four years and then found they needed repairs at a time when the crops were bad and the money was not available. Two or three years ago a case came to my attention. I was the solicitor for the executor of the estate of a farmer who left a machine on which $800 or $900 was owed to a small loan company. The machine was of no use to this man. He did not have the money to buy oil for the machine, or to make repairs to it, in order to work it. He had to sell the land in parcels because the heirs could not handle it. I sent a man down to value the machine and he said that it should sell for $2,000, but if anybody would offer $800 for it he would take it. The machine was sold for $800 and the debt was repaid. A small loan company was the only lender who would take such a machine as security for a loan.

There are young women living away from home on their salaries. The cost of living has gone up in every regard. Apartments cost more, and everything they buy costs more, and they have gone to the store and bought goods on time, or on "tick," as we used to call it. They have come in and told me about their troubles. I do not know what we would have done without the small loan companies which have advanced money in order to enable these people to overcome their difficulties.

What I do not like about this bill is that it challenges the security of the man who advances the money. I do not know very much about business, I admit, but I do know that two and two make four, and I do know that without security the money is very hard to get, if not impossible to get. I can never understand why anybody would put his money into a small loan company, because when everything is balanced up it is often seen that the company has not obtained more than an average rate of interest on the money invested. For those reasons I do not like to see a bill which sets up nothing more or less than a detective agency to try to catch the small loan companies doing something wrong. If the present law does not cover the matter, then change the law, but do not set up agencies that can tell a company it did not do this or did not do that, and threaten it with legal proceedings. That would create a monster which would drive away a much-needed source of money. The banks, with the exception of one, will not handle these loans, and I do not know what interest that one charges. Big retail companies such as Eaton's, the Hudson's Bay Company and Simpsons-Sears do give this accommodation, but they would ruin themselves if they did anything suspicious in their business. I can see no defence for a law that tries to catch a person who risks his money and is liable to lose a lot of it.

I presume some honourable senators would like to see this bill go to committee. I can see no use in that, although I am not opposed to it. I am quite willing for the bill to go to committee, where we can hear what people have to say about it, but I intend to vote against passage of the bill.

I am not going to discuss the question raised by the honourable senator from Ottawa West (Hon. Mr. Connolly) and the honourable senator from Toronto (Hon. Mr. Hayden) as to whether the bill is *ultra vires* of Parliament. Basically what I do not like about the bill is that it only adds to the uncertainty of making money available to the little fellow who is having financial difficulties. If a man is willing to go into a business where he risks his money by lending it to people on very doubtful security, or none at all, then I am going to do my best to see that this person stays in business. I do not see how these lenders can hurt anybody, and there will always be people who need money.

Let me give one more illustration. It is rather personal and perhaps it is not proper

to give personal illustrations. In any event, in 1898 a certain young man was teaching in a country school near Winnipeg, drawing a salary of $35 a month out of which he paid for his room and board and washing and mending. The seven-month school year ran out on October 31. He wanted to go to university and had scraped and saved for two years for this purpose. The university term started in October, but in order to put an extra $25 in his pocket he decided to finish his teaching year. In November he reported to the university where he continued his studies until the spring, at which time he volunteered for service with the Canadian contingent going to the South African War. Before a student could be accepted for this duty the principal of the university had to certify that he would pass his spring examination. In the case of this particular young man the principal felt that as he had not reported to school in October he could not possibly pass his examinations. The young man pointed out that, apart from two weeks' holidays at Christmas, he had spent every night except Sundays studying in his room from the 1st of November until the 28th of May, which marked the finish of the examinations. Would it not have been a fine thing had that young man been able to borrow $100 from some lender—and he would have been a good risk, being a qualified school teacher—so that he could have started university on time? What happened in the examinations? Well, he placed second in the whole university, and the professor told him that he would have placed first and won the scholarship had he been able to report to school on time. There is a case where a loan would have done a lot of good. That sort of thing happens all the time. I know it does, for young people come to me about the same sort of thing. As I have said before, when you are in politics people get to know you and they come to see you, and because you are a university graduate they feel you can do something to help them.

I do not like to see any interference with the present provisions regarding short-term loans. If the provisions of the act, of which I have given the house a memorandum, are not sufficient to protect the borrower and the lender, then amend the act to make it do so. Do not proceed in the way my honourable friend from Toronto-Spadina (Hon. Mr. Croll) suggests, for that would lead to one lawsuit after another. There would be nasty attacks and threats on people if they did not comply. I don't think the Senate ought to pass this kind of legislation. I don't think we are supposed to. Surely the men and women in the Senate know there are people who, when they have bad luck, need money immediately but have no security to offer. What are they to do? They cannot get the money from the banks, because the banks have to protect their depositors. So these people go to the small loan companies. I admit the companies charge quite a bit of interest, but how much of a profit do they make? I have never seen anybody who wants to buy their stock—and I know something about the stock market.

For these reasons, I am opposed to this bill. I do not want to be a party to passing legislation which I think hurts people who just want to get on in life and need to borrow a little money. This class of people is often badly in need of help. Maybe there are some mean people in the world who would take advantage of them, but these are not as numerous as one would think.

I am not going to ask the house to vote against the bill on second reading, for there are certain questions honourable senators might like to ask in committee. I am not too anxious to give people the right to earn 12 per cent interest, and I do not like to see deals involving loans on which the interest rate is too high going through the office of the law firm in which I am a partner. I think they are unfair, and no doubt most of us are of the same opinion. At the same time, we would like to see the little fellow have his chance just the same as the big fellow. It seems to me we are given the duty to protect both the borrower and the lender.

I repeat, although I will ultimately vote against the bill I am willing that it go to committee. If we consider it necessary we should amend the Small Loans Act, and not enact a separate piece of legislation dealing with the same thing.

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

CANADA'S CENTENNIAL

ORDER STANDS

On the Order for resuming the adjourned debate introduced by Hon. Mr. Cameron, who called attention to Canada's Centennial Year 1967, and suggested "that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future".

Hon. T. A. Crerar: Honourable senators,—

Hon. Senators: Hear, hear.

Hon. Mr. Crerar: I am grateful to the house for the applause. I regret I was unable to be present last Wednesday to speak to this motion, as I had intended to do. I feel under the necessity of asking the indulgence of the house to let the order stand until a week from tomorrow, June 15. I shall be grateful if the house will agree to this. In the meantime, if anyone else desires to speak to the motion, that will be quite agreeable to me, provided that I may reserve the right to speak later.

Some Hon. Senators: Agreed.

The Hon. the Speaker: The order stands.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 758*)

VISIT OF THE PRIME MINISTER TO WASHINGTON

Text of Final Communiqué at Conclusion of the Visit of Canadian Prime Minister Diefenbaker

THE WHITE HOUSE

The Prime Minister of Canada, the Right Honourable John G. Diefenbaker, and the President of the United States have consulted on a wide range of subjects of both an international and bilateral nature. The Canadian Ambassador at Washington and the secretary to the Canadian cabinet assisted in the discussions, together with the United States Secretary of State and the United States Ambassador at Ottawa.

The Prime Minister and the President were in agreement on measures which should be taken to maintain the security of the free world. They reaffirmed their determination to continue to work for peace with justice. Particular attention was paid to the importance of achieving, with effective international control, an end to nuclear testing and progress toward general disarmament.

The Prime Minister and the President reviewed the course of relations between their countries during recent years and noted with pleasure the extent to which the problems arising in such relations have yielded to the process of friendly and continuing consultation. They considered that satisfactory means of carrying on such consultation have been established in personal exchanges as well as by regular diplomatic arrangements and the various joint committees that have been created. They expressed their belief that there has been established between the two countries a model for the relationship between neighbours.

THE SENATE

Wednesday, June 8, 1960

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

Prayers.

DOCUMENT TABLED

Hon. Mr. Aseltine tabled:

Further Supplementary Estimates (2) for the fiscal year ending March 31, 1961.

YUKON BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-59, to amend the Yukon Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

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

Hon. George S. White: Honourable senators, with leave of the Senate, I move that this bill be read the third time now.

Hon. Mr. Reid: What's the hurry?

Hon. Mr. White: I might say, in explanation, that a short time later this afternoon the honourable Leader of the Government (Hon. Mr. Aseltine) will introduce a motion with reference to the procedure to be followed tomorrow when it is expected to have royal assent in the presence of the Prime Minister of Australia. We would like to have this bill and the Northwest Territories Bill included among the bills to receive the royal assent tomorrow.

Hon. Mr. Reid: You want to put on a good show.

Hon. W. Ross Macdonald: Honourable senators, before the bill is read the third time I feel I should explain to the house what took place in committee this morning. It will be recalled that about ten days ago the royal assent was given in this chamber to a bill which enfranchised all Indians in Canada. I think I can say that all the members present in committee this morning were amazed to learn that the Indians have not the franchise so far as election of members to the councils of the Yukon Territory and the Northwest Territories is concerned. Honourable senators probably know that the acts establishing these councils empower them to determine whether the Indians will have the vote in the election of council members. I do not know whether the councils can say to Canadian citizens other than Indians that they have not the vote. But, as I say, each council has power to say whether or not the Indians shall have the right to vote in the election of members to the council, and so far the councils have not passed a resolution dealing with this matter. To be fair to the councils, I must say that the bill granting the vote to all Indians in Canada was passed only ten days ago and the councils have not met since that time. What amazed the members of the committee was that we now have an act whereby all Indians in Canada can vote for members to the federal Parliament, yet they cannot vote for members to sit on their own councils. The committee was so impressed with this unusual situation that it suggested to the representative of the department who was present that he should bring to the attention of the councils at their next meetings representations made in the committee to the effect that the councils should without further delay give consideration to the question of whether the Indians should receive the vote. I felt the house was entitled to that information.

Hon. Mr. Croll: The Eskimos too should have the vote.

Hon. Mr. Roebuck: Honourable senators, I would rather like to know why a council should be able to say who shall vote for or against them and who shall not.

Hon. Mr. Aseltine: That is provided for in the Yukon Act.

Hon. Mr. Roebuck: I do not care what act it is in, it is wrong in principle. Parliament should decide that.

Hon. Mr. Hugessen: I think the explanation is that in the Yukon Act there is a provision which permits the council to issue rules saying who may qualify as voters. It is a very old provision.

Motion agreed to and bill read third time and passed.

NORTHWEST TERRITORIES BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-60, to amend the Northwest Territories Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

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

Hon. Mr. White: Honourable senators, with leave of the Senate, I move that this bill be now read the third time.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, with leave, I move, seconded by the honourable senior senator from Winnipeg (Hon. Mr. Haig), that when the Senate adjourns today it do stand adjourned until tomorrow at 2.30 o'clock in the afternoon.

The reason for this motion, which is more or less unusual, on account of the fact that we customarily meet at 3 o'clock in the afternoon, is that it is the intention to have royal assent at 2.45 tomorrow.

In view of the fact that one of the bills to be assented to implements Canada's trade treaty with Australia, I thought it would be a nice gesture on our part if we could have the royal assent at a time when it would be convenient to the Right Honourable Mr. Menzies, Prime Minister of Australia, who is now in Ottawa, to be present.

If this motion is passed, I propose to move, with leave of the Senate, that the Right Honourable Mr. Menzies be invited to be present tomorrow during the royal assent to bills.

Some Hon. Senators: Carried.

Hon. W. Ross Macdonald: Honourable senators, I am sure we are all pleased to give unanimous consent to the meeting of this house tomorrow at 2.30 p.m. in order that the Right Honourable Mr. Menzies may be with us at that time.

Motion agreed to.

THE PRIME MINISTER OF AUSTRALIA

INVITED TO TAKE SEAT ON FLOOR OF SENATE CHAMBER

Hon. Mr. Aseltine: Honourable senators, I now move, with leave, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald), that the Right Honourable Robert G. Menzies, Prime Minister of Australia, be invited to take a seat on the floor of the Senate chamber during the royal assent tomorrow.

Hon. Mr. Macdonald: Honourable senators, I am sure we all will welcome Mr. Menzies and that we will give unanimous consent to the motion that he be invited to take a seat on the floor of this chamber.

I have one suggestion to make. In view of the fact that Mr. Menzies is and has been for many years a distinguished leader in the commonwealth, and is so well known throughout this country, and as we understand he is not going to speak to the members of the House of Commons, would it be possible to have him address this chamber? We would all be glad to hear a few remarks by this outstanding commonwealth leader.

Hon. Mr. Aseltine: In reply to the suggestion of the honourable Leader of the Opposition (Hon. Mr. Macdonald), I may say that our time tomorrow will be very limited unless we meet at 2.30 p.m. sharp. I am investigating the possibility of having Mr. Menzies speak to us, and if that proves to be convenient to him I think we should invite him into the chamber immediately after prayers. Then I would say a few words, the Leader of the Opposition would say a few words, and we would have a short speech by Mr. Menzies. We would then have the royal assent, and Mr. Menzies would depart before the Senate resumed its business. That is the arrangement I have in contemplation.

Hon. Mr. Roebuck: Honourable senators, may I ask why we propose to invite our guest to come in after prayers? I raised a similar question on an earlier occasion. I do not know what is secret about our prayers, or why this old, sanctified absurdity of closing doors while we have prayers is carried on in this chamber. I suggest we invite Mr. Menzies in to have prayers with us.

The Hon. the Speaker: Honourable senators, I have always understood that this tradition of excluding strangers from the galleries at that time was for the purpose of allowing honourable senators to concentrate on their prayers.

Motion agreed to.

STATUTES OF CANADA

SENDING OF COPIES TO BRITISH GOVERNMENT —PRACTICE DISCONTINUED

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. Since July 1, 1927, what has been the practice in accordance with the British North America Act, 1867, section 56, for the sending of the Statutes of Canada by the Canadian Government to the British Government,—in other words, by which one of the cabinet ministers of Canada have they been sent each year to one of Her Majesty's Principal British Secretaries of State and, if so, to which one and on what dates?

2. Were the said statutes bound in full buff buckram and lettered in black or bound in half-calf and gilt-lettered, in conformity with R.S.C., 1952. c. 230, s. 11?

Hon. W. M. Aseltine: The answer to the honourable senator's inquiry is as follows:

1. From July 1, 1927 to April 1942 the Secretary of State for External Affairs, upon receipt from the Clerk of the Parliaments, sent a certified copy of the Statutes of Canada to the Secretary of State for Dominion Affairs in the United Kingdom. The practice was then discontinued and has not been resumed.

The dates on which the statutes were actually transferred to the Secretary of State for Dominion Affairs previous to 1942 are not available, but the statutes were delivered by the Clerk of the Parliaments to the Governor General, who in turn passed them to the Secretary of State for External Affairs for transmission on: November 4, 1927, December 12, 1928, October 15, 1929, October 16, 1930, December 31, 1931, October 4, 1932, September 14, 1933, December 28, 1935, December 9, 1936, October 8, 1937, January 7, 1939, January 15, 1940, May 8, 1941, April 15, 1942. Presumably the statutes were transmitted shortly thereafter.

2. Buff buckram lettered in black.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP— DEBATE ADJOURNED

Hon. Wishart McL. Robertson rose in accordance with notice that he would draw to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

He said: Honourable senators, before proceeding with my argument I wish to make one or two general observations. In October 1959 Mr. Fleming, the Minister of Finance, made what I thought was a most accurate and timely statement. He said that if our costs of production did not come down while our competitors were decreasing theirs, it could mean a catastrophe for Canada. Parliament was not then in session, but I wrote a letter to the press supporting his stand. I was severely criticized by some of my political friends for my action, and the irony of it was that, as far as I know, not one of the minister's colleagues in the Government publicly supported him, and neither did any of his nominal supporters in this house.

On this occasion, honourable senators, my object in speaking is to support an attitude taken by one of the members of my own party. I wish to support a resolution moved in the House of Commons on March 21 last by the Honourable L. B. Pearson, Leader of the Opposition. After drawing the attention of the house to a rapidly deteriorating trading position, and the danger of Canada's becoming isolated by the emergence of large trading blocks, he urged the Government to take effective action, including "the working out of proposals for the establishment of a gradual and progressive basis of an Atlantic free trade area".

Mr. Pearson, in his argument, did not attach to his proposals the importance I do of their being the only practical means that I know of for getting our production costs down short of the catastrophe to which the minister referred. I agree with Mr. Pearson in what he said about the danger of Canada's becoming isolated. I agree it is desirable to seek to have the obstacles of our exporting reduced as rapidly as possible, but certainly the all-important question is how we can get our costs of production down in an orderly manner and remove ourselves from the unenviable position of the highest-cost producers in the Western world.

Were I not leaving Canada in 48 hours for an absence of at least three weeks, I might have presented a motion and asked the Senate to vote for or against it. Under the circumstances, however, I have contented myself with drawing the attention of the Senate to what I personally believe the situation to be. No one need register his approval or disapproval. If no one follows me in the debate, it will die in its tracks. I do not ask support. I would welcome criticism or some alternative proposal. I trust that, out of the experience and knowledge of members of this house, comment will be forthcoming. I can only hope that my remarks will not be ignored.

It is generally agreed now that the United States and Canada are on a high-cost plateau, particularly as compared with our European allies,. and largely, I believe, because of the fantastic defence expenditures which we are presently making.

Some Hon. Senators: Hear, hear.

Hon. Mr. Robertson: Only a few days ago a Canadian-American group of businessmen who have been studying the matter issued a statement in which they said:

> The average cost of manufacturing in Canada is perhaps 35 per cent to 40 per cent higher than in the United States. Despite the tariff U. S. goods can compete effectively with Canadian products over a wide range of manufactures because U. S. industry can obtain much greater economies of scale.

It is hard to escape the conclusion that, of all the countries of the Twenty-Nation group with whom we are presently seeking economic co-operation, Canada is the highest-cost producer.

Not only are our costs the highest, but they are steadily climbing. In the first half of the eight year post-Korean War period, that is, between January 1, 1952 and January 1, 1956, there was a slight drop in the cost of living. In the second half, from January 1, 1956 to January 1, 1960, the cost of living has been steadily climbing. The costs have not been reduced since the minister spoke. Indeed, they are slightly higher. Recently the rate of increase has slowed down, and what the future holds remains to be seen, but we are tied to the economic chariot of the United States, where costs are steadily increasing. Whatever benefits the recent evidence of depreciation in the value of our currency may bring to some who are in a position to benefit immediately, it is almost certain to result in higher costs of servicing the huge amounts that we owe outside of Canada, and it could well increase the costs of what we import. All in all, we will be lucky if the cost of living does not resume its upward climb. In the meantime, the production costs of our European competitors are steadily decreasing.

In every industry in Canada, in every geographical part of Canada, Governments at all levels, and individuals, are in varying degrees becoming the victims of the cost-price squeeze. Agriculture was the first casualty, and great efforts are being made, and rightly made, to ease their ever-increasing difficulties. The second, and the immediate casualty, is secondary industry, almost wholly dependent for its existence on the domestic market. Every day the newspapers give further evidence that this problem is on the doorstep of the authorities in Canada, and a decision as to what to do about it cannot be delayed indefinitely. Secondary industries rank high as an employer of labour. They are said to employ one out of every four employed people in Canada. One after the other of our secondary industries is feeling the effects of high production costs in relation to outside competition. Some are curtailing their operation. Some are announcing plans for closing down their undertakings. In a steady procession they are becoming more and more vehement in their demands that the Government come to their aid. There are only two ways I can think of that this aid can be given—either by increasing the tariff to whatever height is necessary to keep competition out or by following the example of the European manufacturers who are joining larger trading areas to get the advantage of scale production.

As an instance of the representations that are being made by responsible people in Canada, I want to quote from an editorial appearing in the Halifax *Chronicle-Herald* of May 24. Such a responsible person as Mr. Stuart Armour, Economic Adviser of the Steel Company of Canada, was discussing with the members of the Automotive Parts Manufacturers' Association in Toronto the very serious problem in which they found themselves. After it had been pointed out that the employment level in the automotive parts industry had dropped from 76,490 in 1953 to slightly over 51,000 in 1959, and complaining, I suspect, of the failure of the previous Government and of the present Government to give adequate consideration to this industry's vehement demands for additional protection, Mr. Armour made what in my opinion is a most amazing statement. I think it is indicative of his intensity of feeling. He said:

> Most frustrating of the results of our worship of the sacred cow of international prestige is our adherence to the General Agreement on Tariffs and Trade—the notorious GATT. Amongst the oldest of our sacred cows is the comomnwealth preference. Is it perhaps not time that our adherence to GATT and commonwealth preferences be sent, like other worn-out bovines, to the slaughter house?

I have never met Mr. Armour, but I have a great respect for his reputation. While I do not share his viewpoint, we would be foolish indeed to fail to realize that he represents a very considerable public opinion in Canada at this moment. Personally, I do not think that this Government, or any other Government, can scrap the commonwealth preferences—although the right to make a choice in this matter may be taken away from us sooner than we realize—or withdraw from our membership in GATT, but the serious consequences of our high-cost production are being brought home to us and they simply cannot be ignored. Mr. Pearson's argument is—and with this I thoroughly agree—that the only solution for Canada is to follow the example of the smaller countries in Europe and join a larger economic group. There is, I believe, no practical alternative.

We must join a larger economic group so that our manufacturers themselves can get

the advantage of scale economies. The question immediately arises: With whom would we join? There are some who say that because of relatively high costs in the United States and Canada and our already close economic ties we should seek to make further arrangements with the United States of America alone and let it go at that. Personally, I don't agree. I haven't an anti-American bone in my body. My earliest recollection of active interest in public affairs is of my support of the proposed Reciprocity Agreement with the United States in 1911, almost fifty years ago. I realize that the logic of events is drawing us closer and closer to the U.S.A. and, unless we act, and act effectively, at an early date, no one can predict how close that association might have to become in the not far distant future. But I must confess to an uncomfortable feeling. I am reluctant to have us cast in our lot with the U.S.A. and the U.S.A. alone, and I suspect there are many who feel as I do. I want Canada to enter into far closer relations with the U.S.A. than presently exist, particularly in having the Americans provide us with greater opportunities to share in their market; but, while we are doing that, I believe it is the very essence of common sense that we seek to enter into similar arrangements with our European allies and, in particular, with the Outer Seven and the Inner Six. Rightly or wrongly we are tied to them for defence purposes by solemn treaty, and on our combined economic strength our whole future may depend. If this were done, I would feel much happier and I suspect most Canadians would as well.

I find it very difficult to understand why Canadian manufacturers, who are very able men, can seem to offer no other solution than that of higher tariffs. It is entirely at variance with the viewpoint of European manufacturers who spearheaded the campaign for larger trading areas to get the advantage of mass production. I am beginning to think that it results from the influence of the viewpoint of the wholly-owned American subsidiaries who are not too clear as to where they would sit with regard to what Mr. Pearson is proposing. Wholly-owned Canadian companies, particularly those located in the strategic area of the St. Lawrence Valley, could easily see advantages in an opportunity to get into the huge market immediately adjacent, but the American wholly-owned subsidiaries might well be seriously concerned as to where they would fit in such a picture. Undoubtedly that would be one of the immediate problems that would be bound to arise, as problems have arisen in Europe. I do not believe, however, that they are insurmountable. Some arrangements for rationalization of their production for the people of both areas could undoubtedly be worked out. The Americans are, after all, reasonable people. We are their best customers and probably will be in the future. They have a huge financial stake in Canada. I do not believe they would turn a deaf ear to reasonable proposals. In any event, I suggest there is no practical alternative to what Mr. Pearson has suggested.

I would like to devote some time to the consideration of the effects of what Mr. Pearson is proposing on the various sections of Canada. Time will not permit. I leave it to the various members of this house to assess its possible effects on their individual areas, but I do want to say this as regards the Atlantic provinces in general, and my own province of Nova Scotia in particular. There is no area in Canada, I believe, that is as completely the victim of the cost-price squeeze as is the province of Nova Scotia. The last federal Government was very generous in its financial assistance to Nova Scotia, and the present Government has continued this and extended it. This has enabled our provincial Governments to maintain services on a basis which would otherwise not have been possible, but slowly and inexorably the cost-price squeeze has been crushing the life out of our primary industries and what is left of our secondary industries. Without a doubt, some of our secondary industries in Nova Scotia are slowly dying, and they would die more rapidly if their labour were not content to take a much lower standard of remuneration than the Canadian average. They were probably well advised to do so under present conditions, but this certainly does not contribute much to a growing or expanding economy. Moreover, I suggest to them that the hope we have all held that someone, somehow, would start more industry in Nova Scotia which would be able to take advantage of the rich Upper Canadian market is rapidly going up in smoke, because the industries already located in the Upper Canadian market can only maintain something in the order of 50 per cent of the market, and that percentage is steadily decreasing.

On this very point of lower wages, I want to draw the attention of the Senate to a frequently expressed view that the only solution of our cost-price squeeze is for organized labour to agree to a lower scale of wages. May I point out to this house that one of the reasons why our secondary industries in Canada have in the past been able to meet American competition is that, broad and long,

organized labour is paid on the average only between 70 and 75 per cent of the American wage level. Some feel that it should be reduced to something lower than this—say to 65 or 60 per cent, probably much the same as the Nova Scotia rate. Apart from the fact that there is no power in Canada, that I know of, to force labour to take a lower rate of wages, even if that were done, I would remind this house of a speech made by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), the first time he spoke in this house, drawing attention to the ever present magnet of the United States of America in matters of this kind. He said that between the first of the century and the time when he was speaking Canada had lost almost as many people to the United States by emigration as had come into Canada during that period by immigration. Even if you could force labour to take a further reduction in wages vis-à-vis the United States, there is no one that could make them work, and the only thing that would prevent them from going to the United States, where living costs are certainly lower, would be refusal of that country to accept them. We might as well forget that proposal as a solution for our cost-price squeeze.

Honourable senators, I said earlier that I was only asking you to consider my arguments. I am not asking you to vote on them, but it may well be that you will have to vote on the principle, nevertheless. We have set up a manpower committee, which is almost sure to be faced with the question of maximum employment. It is quite possible that before it is through the committee may become a glorified tariff commission. You may well have large employers of labour in the secondary industries putting this proposition to the committee: We will provide more employment if you will recommend to the Government a drastic increase in tariff production, even if you have to scrap the commonwealth preferences and our adherence to the principle of GATT in the process. Should such a situation develop, you will have to decide what report you will make to the Senate. The manpower committee consists, I think, of 32 members, many of them among the best brains in this house. I suspect that such a proposal would certainly not meet with unanimous approval and it would be bound to be voted on before it was presented to the Senate as a report.

Early this year the United States, alarmed at the prospect that the North Atlantic alliance would be torn asunder by the growing trade rivalries between two important groups of our European allies, hurriedly called a conference in Paris to decide what to do about it. What greater evidence is needed to show what an incredible blunder was made by NATO in refusing to act on Canada's advice of ten years ago, designed to prevent this very kind of thing from happening? The decision of the conference was to make a second attempt to eliminate trade rivalries. NATO was shorn of all authority and responsibility and a new organization is to be set up entirely outside of NATO. Whether this second attempt will be more successful than the first, remains to be seen, but of this I am certain, the success or failure of the second attempt will rest squarely on the shoulders of the United States and Canada. Curiously enough, this new organization is not likely to concern itself with the growing gulf between the two groups. The problem will be that an even greater gulf may develop between the two sides of the Atlantic. Even now there are signs that the rival groups in Europe are getting together. Recently there was a statement by a member of the British Government that if they were invited to join the steel and coal community they would accept the invitation. Honourable senators may recall that it was Britain's refusal to join that organization originally that precipitated the difficulties between the Inner Six and the Outer Seven. There are many other indications of an approach. Actually they are meeting tomorrow in Paris for that very purpose, and while of course I have no information I have not the slightest doubt that the presence of the Right Honourable Mr. Maudling, President of the United Kingdom Board of Trade, in Ottawa today is to give notice to the Canadian Government that Britain is about to join the Inner Six, with whatever consequences to commonwealth preferences may ensue. If it does, we in North America will be confronted with what in effect will be a United States of Europe, economically, having a common market of 300 million people and an attendant scale of economies. Unlike North America, their defence costs are relatively small, something like $15 billion as against approximately $50 billion in North America. The stage is being set for trade rivalries between the two sides of the Atlantic, eclipsing in intensity anything that has existed between the two European groups.

When I was in Washington last fall I attended a meeting of NATO at which Walter Hallstein, Chairman of the Economic Committee of the Inner Six, spoke. He was on the defensive, because he had been charged with being primarily responsible, because of his unco-operative attitude, for the growing trade gulf between the Outer Seven and the Inner Six. He said at that time—and it was almost prophetic—

> We think that in due course, despite the difficulties, the gulf between the two will be closed.

but what we have to be careful of is that in closing that gulf we do not open an even wider one between the two sides of the Atlantic.

Right here in the midst of the actual and possible differences of opinion in regard to trade rivalries I want to pay my personal tribute to the judgment and farsightedness of the joint architects of Article II of the North Atlantic Treaty, Mr. St. Laurent and Mr. Pearson. Mr. St. Laurent is no longer in public life, but from the shades of his retirement he is entitled to some satisfaction in seeing how soon there has been a complete vindication of his judgment and farsightedness. Mr. Pearson is no longer in a position of authority, but he is in public life and, in my opinion, he is the most farsighted of any of the leaders, or future leaders, of the North Atlantic Alliance.

There is only one way for the United States and Canada to prevent a trade war from developing between the two sides of the Atlantic, and that is for us to become associated with our European allies in some way or other. How long it will take the United States to make up its mind, and whether it will make up its mind at all before Khrushchev forces it to do so, remains to be seen. I speculated in my own mind what the possible consequences would be of an all-out trade war between the two sides of the Atlantic. Mind you, 300 million people in Europe, with low defence costs and dedicated to the idea of building and matching North America's great prosperity, will present a formidable picture to this side of the Atlantic.

On the other hand, our great neighbour to the south has remarkable resiliency and vast productive powers, and more particularly would this be so if she were able to get clear of some of the strangling costs of armaments to today, which must be paid for by industry and individuals—and payment by individuals probably means payment by industry indirectly. The United States might accomplish wonders even in meeting competition. She has a common market of 185 million herself, and it is a very rich market, and even if the worst came to the worst, she could, if desirable, as she has done in the past on occasions, entire to the refuge of isolation. She is probably as able to do it as any area would be. What a great shout of glee would go up in the Kremlin at this latest development, which would be far more important than anything that has taken place so far!

And what on earth would happen to Canada under those circumstances? Supposing that as a result of the difficult position Great Britain is in, or as a result of action by this country, the commonwealth preferences disappeared, and supposing that we had no more connection with the United States than we have today—and remember, there are isolationists and high protectionists in the United States as there are in this country—to whom could we turn? That situation should not develop, and certainly not by default.

It is here that Mr. Pearson suggests that, whatever we may do to try to influence the United States to act, and to act promptly, there is no reason whatever in economic matters why we should be tied to its leadership or lack of leadership in that respect. There is no reason why we in Canada should not, by precept and example, give leadership on this very important question. He says, in effect, we should go to the United States and say to them, "We can't continue to buy from you unless you give us, progressively, a better chance to sell to you, not only primary products but secondary products as well." We should say to the United Kingdom that when she offered us a program of economic co-operation a year or two ago we did not then see fit to consider it, but we would now like to open negotiations, not only with the United Kingdom but with her associates in the Outer Seven. We should also approach the Inner Six and if, before we do that, the Outer Seven and Inner Six may have resolved their difficulties, we should seek to become associated with their new larger organization. I cannot say, of course, what our reception would be but, with all the built-up reservoir of goodwill from the past I am convinced that none of them would say us nay.

To the leaders of the North Atlantic community in general, and to Canada in particular, may I say that they should think twice before they again turn down Mr. Pearson's advice.

Hon. W. D. Euler: Honourable senators, I did not come prepared to speak on this motion, but I feel impelled to make a few observations.

The contention of my friend from Shelburne (Hon. Mr. Robertson) that Canadian industry is in a very serious position because of certain factors is true. He spoke of high wages in Canada. I do not propose to discuss that point. The remedy he suggests for the situation is that Canada and the United States should seek to make an agreement with countries of Europe, namely, the Inner Six and Outer Seven, with the ultimate intention that there should be free trade between all the Western countries. He says, unfortunately that would have to be a gradual accomplishment. That is self-evident.

We have built up in this country a great many secondary industries. We are now a

large industrialized nation instead of the agricultural nation we once were. While I am not in any sense a high protectionist, though I used to be accused of being one, I do recognize the difficulty that would ensue if we were immediately to wipe out tariffs and allow the low-cost production countries to send their goods into Canada. Our industries simply could not compete. Fortunately, there is now no great difference between the two main political parties with regard to tariffs.

Hon. Mr. Roebuck: Unfortunately!

Hon. Mr. Euler: I recall a little experience I had when I was a member of the Government at a time when we were discussing the principles of Liberalism and Conservatism. I said the difference between the two parties was that the Conservatives talked high tariffs and practised moderate tariffs, whereas the Liberals talked low tariffs or free trade and practised moderate tariffs. In that I think I was almost correct, although I offended the sensibilities of certain people in the Government at that time.

I referred to difficulties that would face our secondary industries if we immediately introduced free trade among the nations of the world. Some of the industries would cease to exist. I can give two examples in my own city of Kitchener. The first one—and I don't think the head of that concern would mind my mentioning his name—is that of a rubber company whose employees recently threatened to strike for higher wages. The head of the company issued notices to the employees in the departments concerned to the effect that if they took strike action he would close up the departments. He is the kind of man—perhaps because he was at one time a pupil of mine—who will do what he says he will do. Another case is that of one of our large industries which I had always thought was prosperous, but which recently announced that it was going to quit business entirely. That is a serious situation.

I mention these things because I do not think it would be possible—and my friend does not suggest it would be—to remove all tariff walls immediately. Tariffs are necessary, I suppose, because industries have gone where they should not be. I used to contend in the House of Commons that industry ought to go where its raw materials were to be found, where its labour was available, and where power and transportation were to be had. I do not think industry is observing those rules. Our industries have been built up in certain places in Canada, and perhaps also in the United States, where they do not properly belong because they do not meet the requirements I have just outlined. But that is the condition today, and the problem is how to deal with it. I admit that I do not know.

My friend mentioned other things that bedevil the situation. He talked about high wages, which I do not propose to discuss. However, I do say that the high cost of government is as contributory a factor to the problem as anything is. I am not speaking of the waste that is going on and has gone on under all Governments nor am I criticizing the present Government, but I do say that expenditures in some departments are entirely too high. I wish to speak about one item in particular, and I know I am right, though many honourable senators will not agree with me. I made the statement last session that we are wasting literally hundreds of millions of dollars on what we call defence because, as I said then, the money we spend on so-called defence does not serve the purpose for which it is intended. We have no defence against the missile. Last year I complimented the Prime Minister because he scrapped the Arrow. And, by the way, I think he could just as well scrap the Bomarc, because it is about as useless as the Arrow might have been for the purpose of defence. In fact, I believe the Prime Minister and the present Government would rather like to do just that. He could make a tremendous hit, if I may use that term, with the Canadian people if he took an axe to the defence estimates. Certainly, he could substantially cut down the taxes in this country, and at the same time extend relief to our industries.

I am aware that a good many people in this country will not agree with me on that point but, as I say, I am certain I am right. What is the use of wasting millions of dollars for a purpose which is not being served? Does anyone stop to consider what we have spent on defence since the end of the last war? We have paid out some $25,000 million on getting ready for another war, or preparing our defence, if you like, and what have we got for it? The estimates for defence this year are something like $1,600 million.

I do not intend to pursue this subject further, but it is one on which I hold very strong views. I have mentioned repeatedly, and it is something the Government might take under serious consideration, my belief that if the Prime Minister moved in the direction which I suggest and cut our defence expenditures it would meet with the approval of the majority of the Canadian people. It most certainly would accomplish that end, if the people were not constantly being misled by newspaper talk about the necessity of expenditure for defence.

I have another suggestion, which may be equally unpopular in some quarters. Despite what took place at the so-called Summit meeting, which was not truly a Summit meeting at all, I think we should work toward getting together with the Russians in a state of what is called co-existence, lest we have no existence at all. I believe that the Russians do not want a war any more than anyone else, and in these circumstances I ask, why in the world should all that money be wasted as it is now?

Let me proceed with one or two items about which, perhaps, you will agree more readily. My friend (Hon. Mr. Robertson) suggests that we should get together with the United States and try to join up with the twenty European nations in what would ultimately become, I suppose, a condition of free trade between the two sides of the ocean. There is an alternative. I think he mentioned that we might get together with the United States, as opposed to the Western European countries, namely, the Inner Six and the Outer Seven which will, perhaps, ultimately merge, anyway. That might not altogether be an impossible situation, for the simple reason that the United States is almost self-sufficient. At least, it is more self-sufficient than any other country in the world, with the exception of Russia. There is very little that the United States is obliged to import. It produces almost everything, and if our two countries were united—I am not speaking of political union, although that would probably come out of it—

Hon. Mr. Brunt: We hope not.

Hon. Mr. Euler: If we were united with the United States so that there was free trade between our two countries, we would have the same facilities for obtaining the goods we need as the United States has now. The southern states are almost semi-tropical. The United States produces almost everything it needs, and could exist if ever there happened to be a war between the European countries and the American countries.

However, there might be the situation—and my friend has not mentioned it—in which you would have the world divided into three great trading groups—North America, which would include the United States and Canada; the Western European countries and the countries behind what we call the Iron Curtain. That is something to be considered.

It is not going to be very long, unless I miss my guess, before we shall have greater competition from Russia, and the countries associated with Russia, than from Western Europe. Those countries have practically the same natural resources as we have. As an example, I would not be surprised if not so very far in the future we faced very serious competition in regard to newsprint. So, there might be three great divisions—the Soviets, who are getting stronger all the time, with China thrown in, the Western Europeans, and the Americans and Canadians.

I am in sympathy with what my friend suggests, and I think that we should take some steps to see what can be done to bring about some economic union in order to remove the competition that is now becoming very serious.

My friend mentioned the British preference—at least, he called it the commonwealth preference—

Hon. Mr. Robertson: That is the modern name.

Hon. Mr. Euler: Yes. We used to call it the British preference. Personally, I never was in favour of it when I was a member of the House of Commons. I could not see that a Canadian manufacturer or producer would feel any better if he were put out of business by a Britisher instead of by a competitor from the United States or any other country.

Hon. Mr. Brunt: He would suffer in the same way.

Hon. Mr. Euler: I mentioned this at one time to a manufacturer of shirts and collars in my own town. He has gone now, but I do not think he would have objected to my referring to it, anyway. I said to him that I did not think he should care if the British preference was not maintained. He said: "Oh, yes, I want it maintained. I buy from Great Britain the cotton goods from which I make my shirts. British competition protects me from the Canadian textile manufacturer." He wanted protection for his shirts and collars, but at the same time he wanted to have his raw material, the finished product of some other country, enter Canada free.

My friend thinks that if we made approaches to the United States it would receive us kindly. This morning, while reading the paper, my attention was drawn to a speech made in Toronto yesterday by the American Ambassador, who rather suggested that our two countries should get together. I think he was reported as saying in regard to tariffs that there should be a reduction. I do not know whether that has any significance or not, but the Ambassador of the United States must speak with a certain amount of authority, and what he had to say in that connection might be worth exploring.

It is a rather remarkable thing that the one organization which has been created in Europe for the purpose of reducing tariffs,

namely, GATT, was inaugurated at the suggestion of the United States itself, which is one of the highest tariff countries in the world. Of course, it has left to itself an escape clause which it does not hesitate to use, and which to some extent vitiates or negates the whole proposition.

Hon. Mr. Thorvaldson: That is why GATT is so useful to the United States. It started out as a high tariff country.

Hon. Mr. Euler: Yes. The United States could afford to reduce its tariffs. And it would all be to the good if other countries with lower tariffs were to bring them down still further, for then the United States could very well make some worth-while reduction in its high tariffs.

Honourable senators, as I said, I was not prepared to make any remarks.

Hon. Mr. Brunt: You are doing wonderfully well.

Hon. Mr. Euler: These are just passing observations.

I think there is merit in this debate introduced by the senator from Shelburne, because it is always well if people can get together and agree not to fight, and that goes not only for industrial and trading matters but for military affairs as well.

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

FINANCE CHARGES (DISCLOSURE) BILL

MOTION FOR SECOND READING—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, the problem raised by the bill before us is not new. Christ himself, while he was on earth, is said to have let loose his wrath on three occasions and it was against the vendors who plied their trade in the Temple, against the usurers of that time. So that the problem is, indeed, nothing new.

One might wonder how Alphonse Desjardins, of Levis, the founder of the *caisses populaires* and of credit unions got the idea of establishing such organizations. It was precisely to fight usury and to prevent small wage earners from being exploited. Year after year Mr. Desjardins, who was a House of Commons reporter, used to hear the members speaking in the house against usury and complain that the poor people were being ruthlessly strangled by usurious interests rates. In 1897, a labour member for the constituency of Maisonneuve in Montreal quoted numerous examples of small wage earners who had had to pay usurers an interest ranging from 1,000 to 2,000 per cent. Faced with a situation of that kind, Mr. Desjardins conceived the idea of his *caisses populaires,* in order to protect the small wage earner.

The object of the bill before us is not to prevent finance companies from lending money; nor is it concerned with interest rates. It simply provides that those who borrow money shall know what capital is being advanced to them and what they will have to pay in interest.

We find the same thing in several European countries, such as France, Belgium and England. When a store advertises merchandise payable on the instalment plan, it states the price that the client will pay, if he pays cash, and, alongside that, the instalments he will have to meet if he chooses to buy under the deferred payment plan.

We have been told that even experts cannot agree on a way to figure out simple interest.

It seems rather strange to me that it should be so easy to calculate any interest providing it is accumulating and so difficult to figure out a reasonable rate on the most logical basis.

It has been pointed out that under this bill all companies, trust companies, banks, *Caisses populaires* and credit unions will have to report every loan which they make and that this represents an enormous task. So it does. But the bill is not aimed at the companies, or rather the intention is not to interfere with them. The bill will have to be amended somewhat. Some distinguished lawyers have claimed, these last few days, that the bill is *ultra vires.* As I am no lawyer, I am not in a position to pass judgment on the constitutional aspect of the bill, but it seems to me that there should be some way of making the act constitutional and workable without having to pester those who respect the law and who operate with equity and justice towards their borrowers.

What struck Mr. Desjardins was that the low-income group, the less favoured, the very class that should enjoy the most protection, was the most vulnehable and the hardest hit.

One might say that, after all, these people are free. If they choose to pay such rates, they have to meet the payment. But to my mind this is not a sound reasoning.

All the means of propaganda at our disposal today are being used to convince people who are not very reasonable that they owe it to themselves to buy the most useless gadgets, provided they do not have to make

a down payment. Those people do not stop to think; they are overgrown children and should, as such, be protected against their own whims.

Yesterday, our friend from Winnipeg (Hon. Mr. Haig) told us of someone who had been saved from ruin by one of these finance companies, but I could give endless examples of people who are reduced to want because of the money they have borrowed at exorbitant rates.

In 1956, when the small loans act was consolidated, I made an investigation at home among the unemployed for whom the St. Vincent de Paul Society had to provide food, clothing and fuel. As I remember, out of 17 families, 13 were paying $5 to $92 a month to a certain finance company.

Those people were drawing unemployment insurance benefits, but nevertheless we had to provide food, clothing and heat for them because the finance companies demand their money, or else they seize everything they can lay their hands on in the house. And in the cases I have in mind, it was public charity that was keeping the finance companies in business.

A while ago I was discussing a case with the senator from L'Acadie (Hon. Mr. Savoie). A widow had borrowed $5,000 from a finance company and had been paying back $100 a month for the last three years. At the end of that time she still owed $5,000. I asked her to tell me what had happened. She replied: "I wanted to get $5,000 and was charged $2,000 commission for it". For three years she had paid 2 per cent per month interest.

Prior to 1939, there was no control whatever. That year, the act was amended so that it was forbidden to charge more than 2 per cent per month on a $500 loan, and a report was required. In 1956, the act was again amended so that it became legal to charge 2 per cent per month up to $300; 1 per cent, from $300 to $1,000; and ½ of 1 per cent from $1,000 to $1,500 and a report was again required. There was a general outcry; all finance companies would be bankrupt! But nothing of the kind happened; I will come back to that in a moment. The point I want to make now is that we have to educate the people. It seems to me that the bill before us would contribute to this work of education, because it would help our people to understand that they should not spend thoughtlessly. We have a slogan at home: "Think before spending".

For instances, in our *caisses populaires,* we have a table of loans, showing the people what they will have to pay in interest and what capital they will obtain.

The *caisse populaire* lends $100, at 6 per cent repayable in one year at the rate of $8.34 monthly. Here is the interest the member will pay:

January	$100.00 at 6% for one month	$0.50
February	91.66 " " " " "	0.46
March	83.33 " " " " "	0.42
April	74.98 " " " " "	0.38
May	66.64 " " " " "	0.34
June	58.31 " " " " "	0.30
July	49.38 " " " " "	0.25
August	41.65 " " " " "	0.21
September	33.33 " " " " "	0.17
October	29.99 " " " " "	0.13
November	16.66 " " " " "	0.09
December	8.33 " " " " "	0.05
Total		$3.30

By that time, he will have received $100 from his *caisse populaire* and paid $3.30 in interest. The *caisse populaire* did not give him only $94 instead of $100, as do other lending companies on their so-called "popular" loans when they say to the client: "We have deducted 6 per cent interest from your loan; here is $94 and your interest is paid". Therefore the borrower receives only $94 out of a $100 loan. The *caisse populaire* gives the borrower $100 and saves him $2.70 in interest.

Do you realize the added purchasing power which our members have gained through the economies effected thanks to our *caisses populaires*—which have loaned to date over one billion dollars to small wage earners—while receiving on their savings an interest rate which in itself represents a substantial sum? All these advantages we owe to co-operation and, naturally, to the efficient operation of our *Caisses populaires Desjardins.*

The interest saved on a loan from the *Caisse populaire Desjardins* stands out more strikingly if you compare it with the interest charged by a finance company or small loans company, which may reach 24 per cent.

Take, for instance, a loan made to a low income earner to the amount of $296, repayable in twelve monthly instalments of $28. The interest charged by a small loans company on a loan of $296 to be repaid in twelve equal monthly instalments of $28 is $30 higher than the interest charged on a similar loan of $296 by a *Caisse populaire Desjardins* and repayable in $25.48 monthly instalments over the same 12-month period. In the first case, the interest charged is $39.86, and in the second, $9.71. The money saved on a loan of $296 is therefore $30.24, or more than $10 for every $100 borrowed.

In the light of the above, who can claim that savings restrict economic activity? Savings help to stimulate economic activity, by making possible the purchase of consumer

goods which encourage production, whereas easy credit, of which there is an abuse, can produce inflation which is always harmful and which prevents economic stability. In borrowing at excessive interest rates, the borrowers reduce their purchasing power, whereas by building up their savings they increase their purchasing power, thus contributing to the economic development and stability of the country. Moreover, savings offer another tremendous advantage from the double standpoint of the individual and of the national economy, in that the man who buys with money he has saved will purchase useful things and not useless ones and will not commit himself beyond his means. And if sometimes he may have to borrow, he will do it wisely and carefully and he will put his credit to good use. Is there any better borrower than the one who knows how to save money? Thrift comes before credit and it teaches one how to use credit wisely. Thrift therefore has a good influence on the economy because it guides production and stabilizes consumption through an increased and firmer purchasing power.

I hardly need give you the history of the small loans act, but I just want to remind you that in 1956, when the act was amended anew, the Canadian association of small loan companies endeavoured to show that the passing of such a measure by Parliament would eventually put many small loan companies out of business, to the detriment of consumers and of the country's economy.

Nothing of the sort happened. The plea was pointless. Authorized small loans companies and money lenders have continued, notwithstanding the amendments made to the small loans act in 1956, to make money hand over fist and to accumulate enormous, not to say exorbitant, profits. The reports published by the Superintendent of insurance in Canada on authorized small loans companies and money lenders indicate the considerable increase in their loans and in their net profits during the years 1956, 1957 and 1958. The 1959 report is not yet available.

Outstanding loans increased from $225,680,222 on December 31, 1956 to $364,554,385 on December 31, 1958. The volume of loans of $1,500 or less went up from $368,000,000 in 1957 to $477,000,000 in 1958. Authorized small loans companies and money lenders in 1957 made 1,075,322 loans of $1,500 or less, to the amount of $368,392,107; and, in 1958, 1,107,500 loans, to the amount of $477,705,515.

Net profits, after income tax, reached $7,739,351 in 1956; $9,503,000 in 1957; and $12,129,000 in 1958.

From 1956 to 1958, authorized small loans companies and money lenders saw their assets increase from $262,386,415 to $408,581,861; and their paid-up capital, from $12,204,010 to $19,562,736.

The dividends paid to capital holders and the amounts collected by the shareholders of authorized small loans companies and money lenders have reached $10,703,469 in 1958, while paid-up capital, according to the consolidated statement was $19,562,736.

Investors as a group have reaped a 50 per cent income from their investment. Household Finance, by far the most powerful of the small loans companies, with assets of $159,120,544 and paid-up capital of $3,072,000 on December 31, 1958, made net profits in 1958 which amounted to $5,476,432 with regard to loans of $1,500 or less and paid out $4,762,375 in dividends to its shareholders and in benefits or monetary compensation to its partners. This means that investors in this loan company have derived income of more than 100 per cent on their investment.

The four small loans companies in operation had a paid-up capital of $5,322,500 on December 31, 1958 and it has not varied for several years. In 1958, the dividends paid on capital and benefits distributed to partners amounted to $4,832,375, which is more than twice what they were in 1956 and just about the equivalent of paid-up capital.

From 1956 to 1958, authorized money lenders increased their paid-up capital from $8,608,233 to $14,240,236, while dividends on paid-up capital and benefits to associates or individual owners have increased from $154,039 to $5,871,094. Authorized finance companies and money lenders would therefore seem, these last few years, to have enjoyed considerable development and have paid their investors enormous, not to say exorbitant, revenues, which have reached 100 per cent in the case of Household Finance.

So much so that we could rightly ask ourselves if we should not reconsider the problem of small loans to Canadian consumers with a view to making additional amendments to the Small Loans Act so as to bring down further the cost of small loans and to ensure that the consumers are properly protected. The excessive interest rates that people have to pay on consumer loans reduce to a large extent their purchasing power and consequently consumption and production, that is to say, economic activity.

Savings, which are the source of credit, and low cost, controlled and sound credit are essential because they are the basis of a healthy and progressive economy. When properly used, savings and credit encourage economic expansion and contribute to a

steadily growing production, thus making it possible for consumption to keep pace with the increase in savings if it is controlled and directed towards lending institutions which promote its safe use.

The more a person earns, the more he spends and the more he is liable to act irrationally and get bogged down in debts. Over the past twenty years, income has increased 300 per cent in Canada and yet consumer credit rose from $400 million to $2½ billion.

The time has now come for people to make a sensible choice as far as their needs are concerned. If so many families cannot make both ends meet, as we say, and if they are deeply in debt, is it not frequently because they have failed to foresee their expenses and to choose wisely which expenses they should incur to fulfill their needs?

The income of most people is not high enough to satisfy all the needs which have been created by our present way of life. We must think first, and then choose between our needs. Certain needs have to be satisfied since they are basic; others can be ignored advantageously. There is a hierarchy in needs. Food, clothing and lodging are basic needs and, as such, must have priority.

To save money, you have to make up your mind not to spend more than you earn and to try to spend a bit less than your income.

Our people should get into the habit of foreseeing their expenses, giving priority to essentials and allowing for savings in their budget; they should not be led astray by salesmen who offer goods on the easy payment plan. A family budget has become a necessity to protect those who are an easy prey to easy credit. One of the first advantages of a budget is that it imposes a moral restriction on those who find it hard to practise moderation. A budget forces them to think, to foresee and to submit to necessary control.

Therefore, lending money is not synonymous with rendering service. Any loan involves an interest to be paid as well as the capital to be reimbursed. A perusal of the licensed small loan companies and money lenders over the last few years shows that our borrowers are going deeper and deeper into debt and that their number is constantly increasing.

To make people think before spending, that is the object of this bill. Let us send it to a committee where we can try to amend it so that it will be constitutional. Let us live within our means if we want to have the means to live.

(Text):

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

The Hon. the Acting Speaker (Hon. Mr. Choquette): I wish to remind the house that if the honourable senator who sponsored the bill (Hon. Mr. Croll) speaks again, he will close the debate.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 479 to 492 which were presented yesterday.

On motion of Hon. Mr. Roebuck, reports adopted.

The Senate adjourned until tomorrow at 2.30 p.m.

THE SENATE

Thursday, June 9, 1960

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

Prayers.

INDIAN AFFAIRS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Speaker informed the Senate of the receipt of a messsage from the House of Commons stating that the name of Mr. Wratten has been substituted for that of Mr. Fraser on the Joint Committee on Indian Affairs.

CANADA COUNCIL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. T. D'Arcy Leonard, Acting Chairman of the Standing Committee on Finance, presented a report from the committee:

The Standing Committee on Finance, to whom was referred the Report of the Canada Council for the year ended March 31, 1959, report as follows:
Your committee recommend that they be authorized to print 800 copies in English and 200 copies in French of their day to day proceedings.

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

Hon. Mr. Leonard: With leave of the Senate, I move that the report be adopted now.

Report adopted.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "CLOSE-UP"

On the Orders of the Day:

Hon. William H. Golding: Honourable senators, I wish to thank the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) for his efforts to get answers to the two questions which appeared on the Order Paper in my name last week. I did not get answers to my questions, but just a couple of replies which were a polite brush-off, and which in essence told me, and everybody else, that actually we have nothing to say about the C.B.C., their conduct of the programs, or the fees they pay to the people they have on their programs. However, I know the Leader of the Goverment did his best to obtain answers, and I thank him most sincerely for that.

I now give notice of this further inquiry:

1. If at any time in the past the C.B.C. has given a scale of fees paid to those taking part in their programs. If so, when?
2. The name or names of those responsible for the C.B.C. programs on "Close-Up" on the evening of May 26 and June 2, 1960.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, the 14th day of June, 1960, at 8 o'clock in the evening.

Motion agreed to.

OLD AGE SECURITY BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Olive L. Irvine moved the second reading of Bill C-63, to amend the Old Age Security Act.

She said: Honourable senators, it is an honour for me to have the opportunity of introducing this important piece of social legislation.

As honourable senators will note, the bill now before this house is designed to amend the Old Age Security Act for the purpose of enabling the large majority of pensioners to carry their pensions with them outside of Canada if they so desire.

Before dealing with the bill in detail, it might be well for me to provide some background on the development of this legislation. The Old Age Security Act was introduced in 1951 with the unanimous approval of Parliament. Under this legislation pensions are charged to the Old Age Security Fund, which at the outset was financed from three earmarked taxes: a 2 per cent personal income tax with a ceiling of $60, a 2 per cent corporation tax, and a 2 per cent sales tax. In other words, this program has contained a certain contributory element in the sense that every person living in Canada has contributed through sales tax or through personal income tax. In the initial years, it is obvious that these contributions would be very small, but as the years have gone on the amounts of individual contributions have been steadily increasing. I mention this point because it has a bearing on the matter of out-of-country benefits which we are now considering.

When the legislation was first introduced no one had made any contributions to the Old Age Security Fund, and it was possible to argue under these circumstances that there was little justification in permitting payments to pensioners who might wish to leave Canada permanently. Such persons would no

longer be contributing to taxes supporting the Old Age Security Fund and at the same time their benefits would be spent outside the country. At that stage, to do otherwise seemed a little unfair to Canadians living at home and supporting the fund. This prompted the approach laid down at that time, that whenever a pensioner left the country his benefit was automatically suspended until he returned.

Special provision was made, however, for those pensioners who left the country for brief periods—for example, those who for health or for other reasons wanted to go south for the winter, or those who wanted to make brief visits outside the country. To meet this type of situation the legislation stipulated that on his return to Canada a pensioner could receive his benefits covering a period of three months' absence in any calendar year, provided he returned to Canada within six months of his date of departure.

In November 1957, after the new Government had taken office, and at a time when the Old Age Security program was in its sixth year of operation, the length of the period of temporary absence was extended. By that time many of the people coming on pension had contributed taxes to the Old Age Security Fund and it seemed only fair that there should be some relaxation of this provision. Accordingly, the Government, in addition to raising the pension level to $55 a month, also extended the out-of-country provisions to permit absences for a period of six months.

That was almost three years ago. In the interval, contributions to the Old Age Security Fund have been continued, and in 1959 the taxes levied under the 2-2-2 formula were increased to the present level of 3-3-3. For example, in the case of the personal income tax contribution, it was raised from 2 per cent to 3 per cent and the annual ceiling was increased from $60 to $90.

Each additional year that the program has been in operation the provision for not paying benefits to persons who wish to leave the country has been progressively more difficult to justify. Since the program is now in its ninth year of operation, and since the taxes supporting the program have been increased, it seems reasonable at this stage that a further step should be taken with respect to payment of benefits outside of Canada.

The bill currently before us proposes three basic changes. First, under existing legislation benefits are automatically suspended when a pensioner leaves the country. It is now proposed that pensioners will continue to receive their pension cheques when they leave the country—that cheques will be mailed outside the country. It will no longer be necessary for people staying abroad to wait until they get back to Canada to pick up their cheques.

Secondly, for those pensioners who have lived in Canada for 25 years or more after their twenty-first birthday there will be no limit on how long they can stay away from Canada and still continue to draw their pension. This means, in effect, that pensioners with these residence qualifications can actually live out of the country permanently and still qualify for and receive old age security payments.

Hon. Mr. Reid: Do you think that will be a good thing?

Hon. Mrs. Irvine: I do.

The third change has to do with those pensioners who have not lived in Canada for 25 years or more after their twenty-first birthday. It will be possible for such persons to receive benefits for their month of departure, plus six additional months of absence. If they have not returned to Canada by that time, benefits will be suspended until they do return. By allowing the month of departure and the month of return as well as these six months for purpose of qualification for benefit, it is possible for a pensioner to be away from Canada for eight months less two days without loss of benefits. A pensioner could, for example, leave on October 1 and return as late as the following May 31.

One of the first questions which come to mind is why any difference has been made between pensioners on the basis of length of residence in Canada. Why are we not treating everyone alike?

An effort has been made in the legislation to reach a balance between, on the one hand, those people who have spent all, or at least a considerable portion, of their working life in Canada contributing to the development of this country, and who also have been making contributions to the Old Age Security Fund, and, on the other hand, those who have been in the country for only a part of their productive life. In the case of this latter group, it would hardly seem fair for the taxpayers of the country to pay the cost of a pension to persons who spent, say, ten or fifteen years of their working life in the country and then decided to return to their country of origin. The pension which these persons will receive will be out of all proportion to the contributions they had made to the Old Age Security Fund and it would seem only reasonable that if, at age 70, they plan to participate in the benefits of these Old Age Security provisions, they

should continue to reside in Canada. However, in the case of the former group, those who have spent at least 25 or more of their productive working years in this country will be entitled to receive their pensions abroad without restriction.

Having regard to the nature of the Canadian Old Age Security program, the principle of the division is surely sound even though it is difficult to decide just where to draw the line. Since taxation for the financing of Old Age Security payments began less than nine years ago, a period of 25 years after age 21 is surely a most generous residence requirement.

A pertinent consideration at this point is an estimate of the numbers of persons who may be affected by the 25-year provision. An analysis from data on individual files was made of 2,696 pensioners who, in February of this year, were known to be permanently absent from Canada. It revealed that only 3.7 per cent, or 100 pensioners, on the basis of their residence history already on file had less than 25 years residence in Canada after the age of 21. In 18.7 per cent, or 501 cases, the information available was not precise enough to determine residence status. In 77.7 per cent, or 2,095 cases, the pensioners possessed the required number of years of residence after the age of 21 to qualify permanently for a pension outside the country. On the basis of this evidence it would appear that certainly 80 per cent, and probably 90 per cent, of all pensioners will have no difficulty in establishing that they have 25 years or more of residence in Canada following their twenty-first birthday. It can be seen, therefore, that in the great majority of cases persons will be able to qualify under these provisions. In the small proportion of cases where this is not so, it should be pointed out that this does not affect in any way entitlement to benefit, but only the question of receipt of benefit outside the country. Coupled with this is the fact that even in these instances generous provision is already available for absences of at least six months of the year to take care of special circumstances requiring temporary absence for health or other reasons.

It is difficult to assess the cost of this amendment with absolute accuracy. But if we are to assume that departure from Canada, both temporary and permanent, will follow essentially the same pattern under the new amendments as they have followed in the first eight years of experience to date, the estimated cost of paying pensioners outside of Canada will be something of the order of $2 million to $3 million annually. This represents the estimated net additional cost in the initial years.

Section 1 of the bill before us sets out the main purpose of the amendment which I have discussed and which is achieved by repealing subsection 1 of section 5 in the existing act and substituting this new subsection.

The purpose of the supplementary provisions contained in sections 2 and 3 of the amending legislation deserves some comment. Section 2 is designed to protect the position of pensioners who may be absent from Canada on the day when the amending legislation comes into effect and who, if they returned to Canada within the time limit specified by section (1) of the present legislation, would be entitled to pick up certain retroactive payments for the months during which they had been absent. If section 2 were not included in the amending bill there might be some doubt as to this entitlement to retroactive payments for these returning pensioners. Thus section 2 ensures that such persons will be fully protected with respect to any retroactive payments to which they would have been entitled.

Finally, the third section in the bill before us is traditional in character. It is designed to cover the position of the pensioner who is outside of Canada at the time when the new legislation becomes effective and who continues to remain outside of Canada for a further period following the passage of the new legislation. Any such individuals who have the required 25 years' residence in Canada following their twenty-first birthday may, without returning to Canada, make application to have their pension payments resumed, and if found to be eligible they will be reinstated with effect from the first day of the month when this amending legislation comes into force. This is a reasonable approach to the matter because it will not force eligible persons who are now living outside of Canada to return to the country in order to receive benefits.

It will be noted that I referred to the matter of the date the legislation comes into force. In this regard I should mention that there is no provision in the amending bill specifying the date upon which the new legislation becomes effective or providing that the legislation shall become effective only on proclamation. Because of this the amending legislation will come into force on the day when the bill receives royal assent.

Perhaps some reference should be made to the fact that the amendment will mean sending Old Age Security cheques outside of Canada and this will involve certain new problems for the administration. Fortunately, the Department of National Health and Welfare will be able to call upon the experience

of other branches of the Government service which have been dealing with a similar situation over the years. For example, the Annuities Branch of the Department of Labour, the Canadian Pension Commission, and the Superannuation Branch of the Department of Finance all issue payments of one kind or another to beneficiaries in other countries.

I am sure that honourable senators will agree with me that this amendment will be most helpful in overcoming many cases of hardship which otherwise would occur—older persons who have had to leave the country permanently because of health reasons; others who have left for other countries in order to live with their sons and daughters, as well as numerous other similar cases which come to mind. The legislation is not put forward with a desire to encourage older people to leave Canada, but rather to recognize the fact that our senior citizens are entitled to consideration if for one reason or another they find it desirable or necessary to live elsewhere in their years of retirement.

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

DIVORCE

BILLS—SECOND READINGS

Hon. William H. Golding, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-427, for the relief of Lucien Dubuc.

Bill SD-428, for the relief of Aino Maria Leinonen Knudson.

Bill SD-429, for the relief of Mildred May Ghenender Greenspon.

Bill SD-430, for the relief of Gordon Lang Cheesbrough.

Bill SD-431, for the relief of Charles Guy Comeau.

Bill SD-432, for the relief of Frida Rosen-Deutcher Falovitch.

Bill SD-433, for the relief of Elizabeth Giliaeff Jahn.

Bill SD-434, for the relief of Myrna Ada Webber Neiman.

Bill SD-435, for the relief of Ellery Gordon Duncan.

Bill SD-436, for the relief of Sarah Wolman Rothman.

Bill SD-437, for the relief of Dragan Baljak.

Bill SD-438, for the relief of Glenda Ruth Warren Meades.

Bill SD-439, for the relief of Robert Hugh Parker.

Bill SD-440, for the relief of Catherine Hetty Dawson Gilbert Cathcart.

Bill SD-441, for the relief of Sheila Alexandra Anderson Williams.

Bill SD-442, for the relief of Georges Justin Goeury.

Bill SD-443, for the relief of Gabrielle Labranche Bisaillon.

Bill SD-444, for the relief of Maurice Joseph Martel.

Bill SD-445, for the relief of Ula Geraldine Taylor Gauthier.

Bill SD-446, for the relief of Margaret Veronica Stacey Abraham.

Bill SD-447, for the relief of Colette Bauer Landau.

Bill SD-448, for the relief of Margot Buerling Zich.

Bill SD-449, for the relief of Barbara Helen Watson Coones.

Bill SD-450, for the relief of Bertha Jacqueline Alice Sweetinburgh Glynne-Percy.

Bill SD-451, for the relief of Alphonse Taghon.

Bill SD-452, for the relief of Paul Morency.

Bill SD-453, for the relief of Mary Jean Frances Collins Park.

Bill SD-454, for the relief of Martine Simonne Georgette Krettly Lefebvre. (Annulment)

Bill SD-455, for the relief of Elizabeth Davis Reed.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Golding moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa

9th June 1960

Sir,

I have the honour to inform you that His Excellency the Governor General will proceed to the Senate Chamber on Thursday, the 9th June, at 5.00 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,
E. Joly de Lotbinière
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate,
Ottawa.

Hon. Mr. Aseltine: Honourable senators, I move, seconded by the honourable Senator Brunt, that the Senate do now adjourn during pleasure, to reassemble at the call of the bell for the royal assent, at approximately 4.15 this afternoon.

Motion agreed to.

The Senate adjourned during pleasure.

At 4.15 p.m. the sitting was resumed.

THE PRIME MINISTER OF AUSTRALIA

GUEST OF THE SENATE

The Hon. the Speaker: Honourable senators, we shall have the pleasure and the honour in just a few minutes to receive on the floor of the Senate the Right Honourable Robert G. Menzies, Prime Minister of Australia. So, if it is your desire we will adjourn during pleasure.

The Senate adjourned during pleasure.

The Right Honourable Mr. Menzies was escorted into the chamber by the Gentleman Usher of the Black Rod, honourable senators standing, and was presented to the Honourable the Speaker and seated at the right of the Chair.

Hon. W. M. Aseltine: Honourable senators, we are highly honoured indeed in having present with us this afternoon and seated on the floor of the chamber the Right Honourable Robert Gordon Menzies, C.H., Q.C., LL.D., M.P. As you know, the right honourable gentleman is Prime Minister of Australia and Leader of the Liberal and Country Party Coalition in that country. He has held the office of Prime Minister longer than anyone else in Australia—from 1939 to 1941 and from 1949 up to the present moment.

After having graduated in law from the University of Melbourne, where he had a brilliant academic record, Mr. Menzies was called to the bar in the year 1918, and in 1929 he received appointment as King's Counsel. He entered politics in 1928, when he became a member of the Legislative Council—that is the upper house—of the State of Victoria, Australia. In the next year he resigned to contest a seat in the Legislative Assembly—that is the lower house—of the State of Victoria.

In 1934 he entered federal politics. He was Attorney General and Minister for Industry from 1934 to 1939, when he became Prime Minister. From 1941 to 1949 he was Leader of the Opposition and an Opposition member of the Advisory War Council.

Mr. Menzies is also an author of considerable note, having had several of his books published. He holds an honourary LL.D. degree from Laval University in Quebec, which was conferred upon him in 1956.

On this visit Mr. Menzies is accompanied by his wife, who is at present seated in the south gallery of this chamber. Dame Pattie Menzies is herself a lady of great distinction. She was invested with the riband and cross of the Grand Cross of the Order of the British Empire by Her Majesty the Queen on February 18, 1954 in recognition of public services to the Commonwealth of Australia.

We are indeed delighted to have the Right Honourable Mr. Menzies with us today and we hope that he will come back to visit us many times in the future. On this occasion we are particularly pleased that he is present because the bill ratifying the recent trade treaty between Canada and Australia will be assented to a little later this afternoon.

Hon. W. Ross Macdonald: Honourable senators, our distinguished guest is far from being a stranger in Canada. In fact, there are very few countries in the world in which he is a stranger. I do not know of anyone who could be described more fittingly as a world figure than our distinguished guest today. He has visited almost every country, and not only is his name known throughout the world but he would be recognized if he walked down the street almost anywhere. I join with the honourable Leader of the Government (Hon. Mr. Aseltine) in extending him a warm welcome today.

On a previous visit to Canada, as the Leader of the Government has said, he received a degree *honoris causa* from Laval University. He received a degree also from McGill University. So we feel, as I hope he does, that he is very much among friends when he comes to Canada.

Mr. Menzies has represented his country at international gatherings, at commonwealth conferences and at meetings of the Prime Ministers. As the Leader of the Government said, he has a long and distinguished career as a parliamentarian. He has tasted the bitterness of political defeat and enjoyed the sweets of many victories.

Among other occasions, Mr. Menzies visited us in 1941, at which time he addressed both houses of Parliament. I would remind him that there are today among the members of this house 42 honourable gentlemen who were members of one or other of the houses of Parliament at that time. Perhaps my reminder will result in the putting of some limitation on what he might say today, because I assure him that many of us remember the inspiring address he delivered on that occasion.

In closing my remarks may I use words similar to those used by the late Mr. Mackenzie King when he welcomed Mr. Menzies to our Parliament in 1941. In associating myself with the honourable Leader of the Government in his welcome to Mr. Menzies, I do so with exceptional pride and pleasure, in that it affords to us, as members of the Senate, an opportunity to say to Mr. Menzies in person many of the things that the people of Canada have been thinking about him and his country over the years, and particularly many of the things that we thought during the dark days of the war when so many of his young countrymen trained as airmen in our country, and subsequently, without regard to their personal safety, performed deeds of great valour and gallantry in defence of freedom and democracy.

We also welcome Mr. Menzies for himself. We know him well as one of the leading public men, not only of the commonwealth, but of the world. We welcome him as an exponent of great causes, who is fearless in his public utterances, strong in his leadership, and broad in his vision. We are delighted to have him here, and we feel that his sojourn in our land will be a happy and profitable one for himself and, more especially, for us.

(*As the Right Honourable Mr. Menzies rose to speak, honourable senators stood and applauded.*)

Right Hon. Robert G. Menzies: Honourable senators, I am deeply indebted to the two speakers for what they have said in welcoming me here today. In Canberra we have a quaint practice of our own: when a visitor important to the Parliament of another Commonwealth country visits us, the Honourable the Speaker, with due ceremony, invites him to take a seat on the floor of the house, and he occupies it, but he is not allowed to open his mouth under any circumstances. You have a different practice.

I have just been reminded of my visit to the Parliament of Canada in 1941. Perhaps my friend the honourable Leader of the Opposition in this house (Hon. Mr. Macdonald) will not recall as vividly as I do that on that occasion I had made a speech at a luncheon meeting of the Canadian Club. The Prime Minister of the day was rather pleased with that speech, and afterwards he said he would like me to come over to Parliament and speak. It was then 25 minutes to 3. I asked him at what hour he wished me to come. He replied, "At 3 o'clock." So for the next 20 minutes I might have been seen wandering around the garden looking at the trees and collecting my thoughts. Under those circumstances I hope I may be forgiven if I literally do not remember one word I said on that occasion. But I take it as a very great compliment that somebody else does.

This is a very interesting event this afternoon. Again, we in Australia do not have the same formalities attached to royal assent. This occasion is quite remarkable for me, and I hope for all of us, in that royal assent is being given to a trade treaty between our two countries in the presence of the Prime Minister from each country. That, I think, has some significance, and for us a very great significance.

I may say I have always found it uncommonly easy to get involved in an argument when in Ottawa; anybody is willing to have one with me. People have certain political classifications here, but I find myself greeted warmly by both sides of the house—one, because I carry its name; and the other, because it suspects that I have some ideas in common with it. I don't know. But it is very friendly and, as I say, I am always able to raise an argument.

But on this occasion I am comforted by the knowledge, and you are too, that our two countries are for all real purposes in the world side by side. We are literally brother countries. We have been side by side too long and in too many circumstances to have any differences that are any more than froth on the surface. Canada and Australia have a great common destiny. Every visit that is made to Australia by a visiting Canadian strengthens our common feeling, and I like to believe that every visit to Canada by some Australian who is prominent in his own country has a similar effect.

We always feel at home with each other. We believe in the same things. We have the same spiritual values. We have the same parliamentary machinery. In fact, the only difference that I have observed this afternoon is the difference between the Senate here and the Senate of Australia. When we, as a Government in Australia, start to get interested in the Senate, I want to tell you—and this, of course, must go no further than yourselves—it is because the Whip has come along and said that we might be beaten on the vote. It is then that we are tremendously interested in the Senate!

Our Senate, as you know, is elected on a state-wide basis. We have a system of election which means that no Government, so far as I can discover, can ever have a majority of more than four in the Senate. With you there are differences, and I am very glad for your sake that there are differences, because in my own country, I never quite know whether, having said "Good day" to a senator, I will see him in six years' time. Here

I see some old friends—not old faces, but old friends—and I am delighted, indeed, to see them.

Thank you very much. I know you have a time limit. That is a comfort that was given me after my speech at lunch-time. I was told, "At any rate, this afternoon you are on a time limit." I think somebody told me that I had to finish by 4.38, and I see that it is now 4.40. So, having exceeded my time limit I will content myself with thanking you very, very warmly for your reception, and assuring you of the universal friendliness and good will of my own country.

The Hon. the Speaker: Mr. Menzies, may I thank you for consenting to address the Senate. This is a great occasion, as you have noted, for both Australia and Canada, and it must be a great occasion for you, sir, because it is the first time you have been invited to come to the Senate—not summoned.

Mr. Menzies, we have met you at Quebec, where you made a wonderful speech, which is reported in the records of Laval University I was not there to hear that speech, but I read it, and since then I have been looking forward to this opportunity of hearing you here today. The magnificent address you gave this afternoon proved again that you are the great orator about whom we have heard so much.

Thank you again, sir, for coming to address this august chamber.

The Senate adjourned during pleasure.

ROYAL ASSENT

At 5 o'clock His Excellency the Governor General proceeded to the Senate chamber and took his seat upon the Throne. His Excellency was pleased to command the attendance of the House of Commons, and, that House being come, with their Speaker, His Excellency was pleased to give the royal assent to the following bills:

An Act respecting a certain Trade Agreement between Canada and Australia.

An Act to amend the Windsor Harbour Commissioners Act.

An Act to incorporate the Oshawa Harbour Commissioners.

An Act to incorporate the Nanaimo Harbour Commissioners.

An Act to amend the Trans-Canada Highway Act.

An Act to amend the Canada-Netherlands Income Tax Agreement Act, 1957.

An Act to amend the Yukon Act.

An Act to amend the Northwest Territories Act.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed His Excellency the Governor General as follows:

May it please Your Excellency:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Excellency the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

To which bill I humbly request Your Excellency's assent.

His Excellency the Governor General was pleased to give the royal assent to the said bill.

The House of Commons withdrew.

His Excellency the Governor General was pleased to retire.

The sitting of the Senate was resumed.

The Senate adjourned until Tuesday, June 14, at 8 p.m.

THE SENATE

Tuesday, June 14, 1960

The Senate met at 8 p.m., Hon. Lionel Choquette, Acting Speaker, in the Chair.

Prayers.

INDIAN AFFAIRS

JOINT COMMITTEE—COMMONS MEMBERS

The Hon. the Acting Speaker informed the Senate of the receipt of a message from the House of Commons stating that the name of Mr. Fane has been substituted for that of Mr. Muir (Cape Breton North and Victoria) on the Joint Committee on Indian Affairs.

ESTATE TAX BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-65, to amend the Estate Tax Act.

Bill read first time.

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

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-69, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1960 to the 30th day of June, 1961, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Bill read first time.

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

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

Motion agreed to.

EXCISE TAX BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-73, to amend the Excise Tax Act.

Bill read first time.

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

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

Motion agreed to.

CUSTOMS TARIFF BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-74, to amend the Customs Tariff.

Bill read first time.

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

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

Motion agreed to.

INTERNAL ECONOMY

REPORT FROM CIVIL SERVICE COMMISSION—REFERRED TO COMMITTEE

The Hon. the Acting Speaker: Honourable senators, I have the honour to present the following report from the Civil Service Commission concerning authorized salary revisions for a number of general classes in the Civil Service:

To the Honourable the Members of the Senate:
The Civil Service Commission has the honour to submit the following report—

Hon. Mr. Macdonald: Dispense.

Hon. W. M. Aseltine: Honourable senators, with leave of the Senate, I move that the report of the Civil Service Commission be referred to the Standing Committee on Internal Economy and Contingent Accounts for consideration and report.

Hon. Mr. Macdonald: May I ask if the report will appear in the *Minutes of the Proceedings* of this house today?

Hon. Mr. Aseltine: It will.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled:

Copy of the Tenth Interim Report of the International Commission for Supervision and Control in Viet-Nam, for the period February 1, 1959, to January 31, 1960.

Report of the Restrictive Trade Practices Commission, dated May 16, 1960, concerning the business of Automobile Insurance in Canada, pursuant to section 42 of the Combines Investigation Act, being Chapter 314, R.S. 1952. (English text).

The *Canada Gazette*, Part II, Statutory Orders and Regulations, 1960, Wednesday, June 8, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Copies of the speeches delivered by the Right Honourable John G. Diefenbaker, Prime Minister of Canada; the Honourable Ellen L. Fairclough, Minister of Citizenship and Immigration; His Honour John Keiller Mackay, Lieutenant-Governor of Ontario; the Honourable Mark R. Drouin, Speaker of the Senate; and the Honourable Cairine R. Wilson, on the occasion of the unveiling of the marble portrait of the Honourable Cairine R. Wilson, the first woman appointed to the Senate of Canada, in the Senate Antechamber, on June 10, 1960.

HON. CAIRINE R. WILSON

SPEECHES AT UNVEILING OF MARBLE PORTRAIT TO BE PRINTED IN HANSARD

Hon. Mr. Aseltine: Honourable senators, with leave of the Senate I move, seconded by the honourable Leader of the Opposition (Hon. Mr. Macdonald):

That the speeches delivered by the Right Honourable John G. Diefenbaker, Prime Minister of Canada, the Honourable Ellen L. Fairclough, Minister of Citizenship and Immigration, His Honour John Keiller Mackay, Lieutenant-Governor of Ontario, the Honourable Mark R. Drouin, Speaker of the Senate, and the Honourable Cairine R. Wilson, on the occasion of the unveiling of the marble portrait of the Honourable Cairine R. Wilson, the first woman appointed to the Senate of Canada, in the Senate Antechamber, on June 10, 1960, copies of which were tabled today, be printed as an Appendix to the *Debates of the Senate* of this day.

Motion agreed to.

For text of speeches, see pp. 803-5.

INTERNATIONAL BOUNDARY COMMISSION BILL

FIRST READING

Hon. W. M. Aseltine presented Bill S-35, respecting the International Boundary Commission.

Bill read first time.

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

Hon. Mr. Aseltine: Thursday next.

Honourable senators, in anticipation of someone's asking me what this is about I would like to say that the International Boundary Commission was established by treaty in 1908 to define and mark certain portions of the international boundary between Canada and the United States of America. The commission was by treaty in 1925 required to define and mark other portions of the international boundary and was further charged with the maintenance of the boundary line between Canada and the United States of America and Canada and Alaska by the placing and maintaining of monuments and buoys and the maintaining of a boundary vista.

The treaty of 1925 was approved in that year by resolution of Parliament but no legislation was passed with respect thereto. The purpose of this bill is to enable the commission to carry out more effectively in Canada its functions under the treaty of 1925.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move, seconded by the honourable senator from Hanover (Hon. Mr. Brunt), that when the Senate adjourns today it stand adjourned until tomorrow at 3.30 o'clock in the afternoon.

The purpose of this motion is to allow those honourable senators who wish to do so to attend the funeral of the late Honourable Brooke Claxton.

Motion agreed to.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-456, for the relief of Raymond Faucher.

Bill SD-457, for the relief of Alexander Bleziotis.

Bill SD-458, for the relief of Ralph Gatis.

Bill SD-459, for the relief of Diana Elizabeth Wilson Ronalds.

Bill SD-460, for the relief of Parthenope Eftichidou Economou.

Bill SD-461, for the relief of John Edward Anderson.

Bill SD-462, for the relief of Claire Viger Marcil.

Bill SD-463, for the relief of Denise Claire Lescarbeau Sarroino.

Bill SD-464, for the relief of Carlyn Louise Atwood Leslie.

Bill SD-465, for the relief of Sophia Kaloutsky Kachur.

Bill SD-466, for the relief of Rosaire Armand Falardeau.

Bill SD-467, for the relief of Philippa Osler Day.

Bill SD-468, for the relief of Mary Rebecca Pittman Lawrence.

Bill SD-469, for the relief of Frances Cohen Salsky.

Bills read first time.

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

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

Motion agreed to.

PASSPORTS

APPLICATIONS SINCE 1947 BY BRITISH SUBJECTS, CITIZENS OF CANADA AND THE COMMONWEALTH

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

Each year since 1947, how many applications have been made in Canada for passports by
(a) British subjects?
(b) Canadian citizens?
(c) Citizens of the commonwealth?

Hon. W. M. Aseltine: The answer to the honourable senator's inquiry is as follows:

1. (a) The Canadian Passport Office does not issue passports to British subjects who are not also Canadian citizens.

(b)

Year	Passports issued	Passports renewed
1947	57,659	12,236
1948	58,305	13,712
1949	59,755	3,857
1950	62,545	2,243
1951	67,428	2,071
1952	76,180	5,333
1953	74,275	7,863
1954	70,973	10,899
1955	79,228	12,474
1956	88,795	14,236
1957	97,738	14,934
1958	100,594	15,446
1959	115,181	16,102
1960	50,673	7,593

(Jan. 1-Apr. 30 inclusive.)

(c) Only Canadian citizens as defined in the Canadian Citizenship Act are eligible for Canadian passports.

STATUTES OF CANADA

NOTICE OF MOTION FOR COPIES OF ORDERS IN COUNCIL CONCERNING DISTRIBUTION

On the notice of motion by Hon. Mr. Pouliot:

For copies of all orders in council passed since January 1, 1927, concerning the distribution of statutes, in conformity with the B.N.A. Act. 1867, section 56, and R.S.C., 1952, c. 230.

Hon. Mr. Pouliot: Honourable senators, with respect to motion No. 2, may I say that this has been answered personally.

BRITISH NORTH AMERICA ACT

PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES

Hon. Mr. Macdonald: Honourable senators, what about motion No. 1?

Hon. Mr. Aseltine: Honourable senators, I expect to proceed with motion No. 1 on Tuesday next.

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-427, for the relief of Lucien Dubuc.

Bill SD-428, for the relief of Aino Maria Leinonen Knudson.

Bill SD-429, for the relief of Mildred May Ghenender Greenspon.

Bill SD-430, for the relief of Gordon Lang Cheesbrough.

Bill SD-431, for the relief of Charles Guy Comeau.

Bill SD-432, for the relief of Frida Rosen-Deutcher Falovitch.

Bill SD-433, for the relief of Elizabeth Giliaeff Jahn.

Bill SD-434, for the relief of Myrna Ada Webber Neiman.

Bill SD-435, for the relief of Ellery Gordon Duncan.

Bill SD-436, for the relief of Sarah Wolman Rothman.

Bill SD-437, for the relief of Dragan Baljak.

Bill SD-438, for the relief of Glenda Ruth Warren Meades.

Bill SD-439, for the relief of Robert Hugh Parker.

Bill SD-440, for the relief of Catherine Hetty Dawson Gilbert Cathcart.

Bill SD-441, for the relief of Sheila Alexandra Anderson Williams.

Bill SD-442, for the relief of Georges Justin Goeury.

Bill SD-443, for the relief of Gabrielle Labranche Bisaillon.

Bill SD-444, for the relief of Maurice Joseph Martel.

Bill SD-445, for the relief of Ula Geraldine Taylor Gauthier.

Bill SD-446, for the relief of Margaret Veronica Stacey Abraham.

Bill SD-447, for the relief of Colette Bauer Landau.

Bill SD-448, for the relief of Margot Buerling Zich.

Bill SD-449, for the relief of Barbara Helen Watson Coones.

Bill SD-450, for the relief of Bertha Jacqueline Alice Sweetinburgh Glynne-Percy.

Bill SD-451, for the relief of Alphonse Taghon.

Bill SD-452, for the relief of Paul Morency.

Bill SD-453, for the relief of Mary Jean Frances Collins Park.

Bill SD-454, for the relief of Martine Simonne Georgette Krettly Lefebvre. (Annulment)

Bill SD-455, for the relief of Elizabeth Davis Reed.

Motion agreed to and bills read third time and passed, on division.

OLD AGE SECURITY BILL

SECOND READING

The Senate resumed from Thursday, June 9, the adjourned debate on the motion of Hon. Mrs. Irvine for the second reading of Bill C-63, to amend the Old Age Security Act.

Hon. Thomas Reid: Honourable senators, in rising to speak on Bill C-63, may I say at the outset how much I appreciated listening to the honourable senator from Lisgar (Hon. Mrs. Irvine). I most sincerely compliment her upon the pleasant and wonderful speech she delivered when introducing this bill the other day. Having said so, I want to say now, before I proceed further, that that does not mean I agree with certain sections of the bill. I shall refer to them in the latter part of my speech and deal with the objections then.

One thing that has struck me lately in the Senate is that since I came to the House of Commons, in 1930, there has been quite a change in the attitude toward social legislation. I was not here in the Senate in 1926 when there was a partisan vote dividing against the Old Age Pension Bill by 45 to 21, but in looking through the records I find no other instance of the Senate taking such a stand on any measure of this kind.

I remember when the Right Honourable Mackenzie King moved and introduced the Family Allowances Bill. Let me say right here that no one ever heard about family allowances until he introduced the measure into Parliament—not even the members of his own party. It was all his own doing. On that occasion the Acting Leader of the Opposition in the House of Commons put forth ten reasons why his party could not support family allowances. I am very glad, therefore, to see the Conservative party come along now and get behind all the social legislation that the Liberal party has introduced, and making it appear that the Conservative party was responsible for it.

Hon. Mr. Brunt: Don't be sarcastic.

Hon. Mr. Reid: It stands as a fact for the people of Canada that every piece of social legislation on the statute books of this country was put there by the Liberal Government. I challenge anyone to refute that statement.

Hon. Mr. Horner: Just a minute. My understanding is that you are entirely wrong if you say that the Leader of the Opposition opposed family allowances.

Hon. Mr. Macdonald: Oh!

Hon. Mr. Croll: Oh!

Hon. Mr. Reid: Well, I could go and get the facts and read them to you, and the date, too, because I read them before I came here this evening. My friend gets up to challenge my statement. Well, he should be sure of his facts before rising to make the challenge. I will give you the date, and you can check it yourself. In 1946 the late Gordon Graydon, was Acting Leader of the Opposition in the House of Commons. I was there. Also, it is on record, and I checked it, and I stand by what I say. So just do not be too quick in contradicting unless you are sure.

Hon. Mr. Horner: You have not read it yet.

Hon. Mr. Reid: Go and send for it and read it.

Hon. Mr. Horner: The only man I can think of in this connection was the Honourable Herbert Bruce, of Toronto.

Hon. Mr. Reid: In all sincerity as a senator, I can say that the late Gordon Graydon put forward ten reasons why they could not support baby bonuses. I say that without fear of successful contradiction.

Hon. Mr. Horner: I can tell you that the only man who opposed them in this chamber was the senator from Blaine Lake.

Hon. Mr. Reid: Another Conservative, you see, opposing social legislation. So I was correct, honourable senators, when I said that they are coming along and jumping on the bandwagon and getting behind the Liberal social legislation. I shall have more to say about the expenditures on that as I proceed with my remarks. And do not think I am worried by interruptions, because honestly I like them. As long as one speaks the truth he can stand up before any audience or any person. That has been my policy since I came to Parliament in 1930.

Now I have a few loose ends to gather together.

Hon. Mr. Horner: You had better tie up your loose ends a bit.

Hon. Mr. Reid: And you had better get your facts more clear.

May I draw to the attention of honourable senators the trend in expenditures of old age security, because the trend of increased expenditures does not seem to faze the present Government.

Hon. Mr. Thorvaldson: We are getting more old people, aren't we?

Hon. Mr. Reid: In 1958 there were over 827,000 people in receipt of old age security. I am giving round figures for convenience. The cost was then $473 million. In 1960 the recipients had increased to 873,000 persons, and the cost was $575 million. In the two-year period the numbers had increased by 46,000, and the cost by $102 million. The Government forecast for the future is most interesting. I do not know how many honourable senators have been looking at these committee reports, but I advise them to do so, because from them they can pick up lots of splendid information we should all know about. The Government forecast is from 1964 to 1965, and it estimates that the cost of old age security will then have reached $666 million, an average increase of $20 million each year.

Hon. Mr. Horner: Do I understand this is what you are boasting your party introduced to the Senate?

Hon. Mr. Reid: Oh, you are just trying to be funny. I think my friend has got the thought by now.

I will read some interesting information I got the other day regarding the aged citizens of this country, which shows that the aged of Canada are increasing; in other words, the people of this country are beginning to live longer. One of the strange things that one notices in looking over the details in the schedule is that up until 75 years of age there are more males than females; but when we go from 75 to 90 or over the picture changes and there are more females than males. It is most interesting, especially when one looks at the ages of 90 and over. So men, be careful.

In 1951 there were 8,145 persons in Canada 90 years of age or older. In 1956, the latest year for which I could get the figures, the number had doubled to 16,165.

Hon. Mr. Isnor: Those were over 90?

Hon. Mr. Reid: Those 90 or over. Having come across those figures, I thought they might be interesting to members of the Senate. I know they were extremely interesting to me.

I want to deal for a few minutes with the system of social security in two countries, the United States and Great Britain, and in doing so I think I can provide honourable senators with some interesting information.

As every honourable senator knows, the Government appointed Dr. Robert M. Clark to investigate the United States system with a view to finding out if the American system was an improvement over that of Canada. First of all, before I quote from the report, may I say that, to my mind, the British system and the American system are both superior in one regard particularly, and that is that the funds needed to support them do not come from the exchequer. In both countries the schemes are solely contributory, which, of course, holds down to some extent the ever increasing demand for more pensions.

Hon. Mr. Brunt: Do Canadians not contribute?

Hon. Mr. Reid: I am speaking of direct contributions. There are many in Canada who do not contribute other than what comes out of any sales tax.

Hon. Mr. Brunt: Is there anyone in Canada who does not pay sales tax?

Hon. Mr. Reid: No, but you cannot compare contributions of that kind to direct contributions. It certainly is not the same as if a person contributes so much a week directly. But why raise that point? There is quite a big difference between the two systems. I repeat, the system in Great Britain and the system in the United States is a direct contributory system, in which contributions are made by persons to that fund, and nothing comes out of the treasury. You are not going to say that that is the same as the one we have here.

Hon. Mr. Brunt: No, but I do say that Canadians contribute.

Hon. Mr. Reid: Yes, but not to the same extent.

Hon. Mr. Roebuck: Not in the same form.

Hon. Mr. Reid: That is my own personal view. That brings up one distinct disadvantage in Canada, because with the social security system we have here the amount is ever increasing, it never seems to be sufficient. For instance, family allowances were hardly put into effect before there was a demand to increase them. Those of us who lived in the days when there were no family allowances wonder how we ever existed because many nowadays cannot exist without family allowances. Some are always looking to have more, and so request the Government to increase them. That is why I raise the point.

The system in each of the two other countries I mentioned is somewhat of a protection against—I would not say bribery exactly, but against appealing to the party in power to increase old age pensions or family allowances. In Great Britain and the United States there is a direct contribution from the individual and the employer, and not from the treasury at all, and this system keeps them clear from that kind of influence.

Hon. Mr. Barbour: Does the United States Government not sometimes increase the allowances?

Hon. Mr. Reid: Yes, the United States Government proposes to increase it, but it is also proposing to increase the contribution from 6 per cent to 9 per cent deducted from their salaries.

Hon. Mr. Horner: Will the honourable senator permit a question?

Hon. Mr. Reid: Yes.

Hon. Mr. Horner: Do you not think it was a direct case of political bribery when family allowances were first introduced?

Hon. Mr. Reid: No, it more like bribery when you offer to increase them after opposing them. That is more like looking for votes.

Hon. Mr. Horner: Will another question be allowed?

Hon. Mr. Reid: Yes.

Hon. Mr. Horner: When once started, nothing else could have been expected but what the honourable senator is complaining about now.

Hon. Mr. Macdonald: What is the question?

Hon. Mr. Horner: The question is, did you not realize when you started down that road that, as I often warned, there is no end, there is nothing to do but go further down?

Hon. Mr. Croll: Or off.

Hon. Mr. Reid: Mr. Speaker, may I continue? With permission of the Senate I would like to state the few more matters that I have to state on this bill. I must say it is a splendid night and I am enjoying it, but I would like to have on the record what I propose to say.

I do not know how many honourable senators have read the report issued under the name of Dr. Robert M. Clark, but for those who have not done so I would advise them to read the report of the House of Commons Standing Committee on Estimates for Tuesday, March 8, and there you will find an exposé of Dr. Clark's report, put on the record by the Minister of National Health and Welfare. That is where I obtained the information on this report rather than by reading through the lengthy report which Dr. Clark presented to the Government. I want to place this on record by way of information:

> Another point the Clark report brings out is that the American system is based on graduated benefit levels while the Canadian employs a flat-rate benefit. Although in the upper income levels, the United States system provides—particularly for single persons—benefits more generous than the Canadian, this is offset to a considerable extent by the fact that at lower levels benefits are smaller than in Canada. The average single U.S. benefit is slightly more than $72 compared to the Canadian flat rate of $55. Dr. Clark points out that if we take the average American benefit and compare it to their national income per capita, and do the same for Canada using our flat-rate benefit, the Canadian benefit is actually higher than the American when stated as a percentage of personal income per capita.
>
> The American old age, disability and survivors insurance program, as Dr. Clark points out, is currently based on 3 per cent contributions from both employers and employees amounting to a total of 6 per cent of payroll. And this is intended to rise by 1969 to 9 per cent of payroll. If we accept the fact that the average per capita income of Canadians—including those in their active working years—is 30 per cent below that in the United States, the question that presents itself is this. How can we expect, other than by establishing contribution rates that are proportionately higher, to achieve a level of pension benefits equal to the American level?

Now I am going to say right here that some system might well be added to our present old age security system whereby more can be given to the really needy people. It is well known to all honourable senators that $55 or even $110 a month is not sufficient for many people who depend entirely on old age pension security. Therefore, I say we can go still further in improving this scheme. There perhaps could be superimposed on the present arrangement a contributory system, not the same as in the United States, but along the same line. May I now place on the record some information about the pension system in the United States, which may be of interest to all senators.

> Since January 1, individual workers have been paying a maximum premium of $144 a year for the protection they get from Social Security. Employers match that amount, making the total premium—or payroll tax—now 6 per cent on income up to $4,800 a year.
>
> This tax, as now projected in the law, will rise gradually to a total of 9 per cent—or 4.5 per cent each on employer and employee.

The authorities in the United States are somewhat worried over the way their system is heading. Let me give you one example. Mr. A., a salaried worker, has been covered by social security since 1937. He plans to retire this year when both he and Mrs. A. will be 65 years of age. The monthly pension

for Mr. and Mrs. A. will be $178.50 and the expected total pension for the remainder of their lives will be $30,938.

Hon. Mr. Brunt: Could the honourable senator tell us if the coverage provided in the United States is as broad as that given under our Old Age Security Act? For instance, are farmers covered?

Hon. Mr. Reid: I am not sure whether farmers are covered, but there are great numbers who are not in the employed classes and are not covered. They have no way of paying into a fund. People in those classes must rely on help of a charitable nature from the Government or some other authority.

Hon. Mr. Brunt: Everybody in this country is covered by the pension.

Hon. Mr. Reid: Everybody comes under the act, upon reaching the age of 70 years.

Hon. Mr. Bouffard: And there is no contribution.

Hon. Mr. Reid: No direct contribution is made.

Honourable senators, I shall give the reasons why I oppose certain sections of this bill when I come to discuss it. First, I thought I should place before the house certain information about the pension system in the United States. I have also a word or two to say regarding the British system.

The British pension system is also a contributory one. Here is one thing they do, which I admire: a booklet is sent out advising the worker to continue working until he reaches 70 years. This is what the booklet has to say:

> Shall I retire or stay on at work?
> For many people this is not a difficult question to decide. They are fit and active at minimum pension age (65 for men and 60 for women) and wish to continue in work and earn wages. They prefer the interest of a job and the companionship of their fellow workers to staying at home. They think that to retire at 65 or 60 is to waste the knowledge, skill and experience they have gained over the years at work. On the other hand, there are others whose health is not so good and who feel that they are not able to stay at work. They will wish to retire and take their pension and perhaps do some work occasionally. But in between these two extremes, there will be those who cannot make up their minds what to do; and if you are one of those people you may like to consider the following points before you decide.

The pamphlet points out that if they work longer they will qualify for a bigger pension. This I think is a laudable thing in itself. People who have skills and who are healthy should not be discarded at 65, but should be encouraged to carry on until 70, or even older, if they desire to do so.

Let me give you the rates of pension under the British system, which I have converted into dollars and cents for convenience and ready understanding. The employee pays $1.40 weekly, or $5.60 monthly; his pension at 65 years is $30, and at 70 is $40. A married couple—a man can insure his wife as well as himself, and a single woman can insure herself—at 65 years they get $60 a month, and at 70 they get $84. If the wife is not insured at 65, the couple get only $48, and at 70 they get $66 per month.

Honourable senators, those are briefly the rates of pension under the British old age pension system. As I say, it is strictly a contributory scheme, being paid for by the employer and employee with no contribution, so far as I can learn, from the exchequer or from the Government.

My attention was recently drawn to a matter affecting Canadians who decide to go to Great Britain to live. I just happened to pick up the information by telephoning the British Ministry of Pensions and National Insurance in Ottawa. I have here a pamphlet entitled *Social Security arrangements between the United Kingdom and Canada.* From it I learned that provision has been made by law in Great Britain to include within the British pensions scheme Canadians and their families who leave Canada to reside in Great Britain. I frankly say I had not heard about such an arrangement.

Hon. Mr. Roebuck: Is it a reciprocal arrangement?

Hon. Mr. Reid: I cannot say whether it is reciprocal or not. I do not propose to go fully into this matter—not that it is too involved, but this is perhaps not the time or place to do it. Honourable senators can secure one of these pamphlets by telephoning the United Kingdom High Commissioner's office in Ottawa. May I read just a few lines of the introduction to it:

> This leaflet describes how the social security arrangements made between the United Kingdom and Canada, which came into operation on 1st January, 1960, enable people to receive certain United Kingdom benefits by virtue of residence or employment in Canada.

This seems to be an encouraging step, certainly one in the right direction, and one of benefit to Canadians who perhaps have not done too well in this country and decide to return to the United Kingdom and start life over again. I shall endeavour to learn whether we have made this arrangement applicable to Britishers coming to Canada. As I say, it is the first time my attention has been drawn to the question.

Hon. Mr. Bouffard: May I ask a question of my honourable friend?

Hon. Mr. Reid: Yes.

Hon. Mr. Bouffard: I was wondering whether this arrangement was a kind of treaty? Is a payment made by Canada to the United Kingdom to cover this arrangement?

Hon. Mr. Reid: No. The payments have to be made by those who benefit. Perhaps I could best answer that question by reading one paragraph from the pamphlet. Under the general heading "Benefits", question No. 2 reads:

What contributions do I pay if I come to the United Kingdom from Canada?

Answer:

If you were previously insured under the present United Kingdom scheme, you must pay contributions from the date you arrive in Great Britain.

If you start work as an employed person you must pay contributions immediately. Otherwise you should inquire at a local Pensions and National Insurance Office about your liability.

Perhaps this question and answer will throw a little light on the subject:

6. Is it worth paying United Kingdom contributions when in Canada?

Paragraphs 2 and 4 of Leaflet N.I. 38 state the circumstances in which you may pay United Kingdom contributions voluntarily while you are abroad.

Under what circumstances do we have United Kingdom contributions in Canada? I take it, from reading the pamphlet, that people who live here and afterwards go to Great Britain can take advantage of the scheme by contributing to it. They are given credit, to some extent, for the length of stay in this country and they do not have to make back payments, shall I say, but they have so much to pay, and immediately they arrive in Great Britain they can be taken in under the scheme, whether they are single or married and whether or not they have children.

I am sorry if I have detained you too long, but these interruptions and questions take a little time to answer, and it has not altogether been my fault. I maintain, first of all, from what I am able to gather, that no great demand has been made for this kind of proposed legislation. It is true, I will admit, that the passing of this bill may help in the next election, because after reviewing the promises that were made prior to the last election I cannot conceive of any new promises that could be made.

I am strongly of the belief that all who receive the old age security pension should be Canadian citizens. I do not know of any citizens who are more loyal to the country than those born in Great Britain. I know that I became a Canadian immediately I arrived, and I am a strong believer in people being citizens of the country in which they live, especially if they can get pensions without direct contributions. Personally, I cannot see anything wrong with that.

I do not know of any other country that will hand out from its treasury a pension to every Tom, Dick and Harry who comes to it and stays ten years. I can tell you of two cases that I know of where people who have been contributing to relatives in a country in Europe are now trying to induce them to come out here because of the expected passing of this bill. One is 60 years of age and the other is 61. It is understood that when they are here ten years they will get $110 a month. To a person coming from the Old country, or one of the European countries, that is quite a tidy sum to receive, and I maintain it is just utter nonsense to say that a person who is 60 years of age contributes much, if anything, toward his old age security pension in those ten years. The amount he would contribute through the sales tax in that time would be trifling. It would take a good accountant to work out just what he would contribute.

As I pointed out on a former occasion, if a married couple 60 years of age took out an annuity payable at the age of 70, it would cost them $9,000. That is the figure I have obtained from a commercial institution. If that is the case, then it is costing the Government or the country that same amount, $9,000. Yet, we say to those who are not citizens: "Come along, and we will give you this pension." I would rather see something given as an inducement to younger people to come here. When the old age pension was first put into effect, in 1927, it was on the understanding that the people who had built this country and who had borne the brunt and the heat of the day were entitled to some recompense from the wealth of Canada. This was the story told the people back in the twenties.

We are now being extremely generous. I would not be so annoyed about this if it were not for the way this country is drifting —and I use the word "drifting" in a financial sense. It looks to me as if the Government does not care a hoot about how high the debt goes or how much it spends. I have the figures of the debt here. Our debt increased by well over a billion dollars in two years. The gross debt increased by $747 million and now stands at $21 billion. I am not an accountant, and I just cannot tell the difference between the net debt and the gross debt. There are so many things involved in that word "gross" that I cannot just grasp its meaning, but the net debt increased by $404 million last year, and it now stands at over $12 billion.

I wonder what the Honourable Mr. Fleming, who stood up in the House of Commons and said: "Put us in and we will cut off $500

million", is thinking now in his quiet moments. The debt is ever up and up. The estimates for 1960-61 are up over $70 million, and I have not added in the supplementary estimates which have come along. That is how they get around it. They hold these sums back and tell us that that is all the money they are going to spend, and then they come back wanting another $300 million or $400 million, and that bill is rushed through the Senate, and nobody seems to give it a thought.

Having sat on the C.B.C. committee with the Honourable the Minister of Finance, I well remember the strong stand he took against the C.B.C. Is there now any control over the C.B.C.? In 1956 they had $31 million, and this year it is up to nearly $72 million, and the end is not yet in sight. When questions are asked respecting the C.B.C., such as the honourable senator from Huron-Perth (Hon. Mr. Golding) asked the other night, we are told that the Government is not responsible, but Parliament.

Hon. Mr. Horner: I wonder what this has to do with the bill that is before us.

Hon. Mr. Reid: I am not surprised that you are getting hot under the collar, but I am endeavouring to show honourable senators that we are now going to hand out between $3 million and $4 million, to start with, and at the same time we are telling people who have lived 25 years or more in Canada that from now on they can leave Canada for good if they want to and still get their old age security pension, and those who want to leave this country can get their old age security pension the rest of their lives. I am endeavouring to show the financial plight to which we are drifting, and this at a time when our budget should be balanced. The United Kingdom, the United States, and France, three great countries, balanced their budgets last year. Why can't we in Canada balance our budget and set our own house in order? The honourable Minister of Finance has told us to save—and I have his words here—but there are no signs of saving in the Government.

I am objecting at this time to spending even $3 million under this bill. It will certainly encourage many of our old age pensioners to spend their remaining days with their relatives or friends in other countries, for many recipients of old age security would never think of leaving this country otherwise. I am against the principle of inducing people to leave this country and I am particularly opposed to the treasury giving those who are not citizens of this country $55 per month.

Hon. Mr. Horner: May I ask the honourable senator if when he uses the words "not citizens" he really means non-residents? No non-citizen can draw an old age security pension, as I understand it.

Hon. Mr. Reid: I am pleased that my honourable friend from Blaine Lake (Hon. Mr. Horner) has brought up this question, for there are many people who cannot get it through their heads that you do not have to be a citizen of Canada to get this pension. A person merely has to have lived in this country for ten years.

Hon. Mr. McKeen: My honourable friend means a resident for ten years.

Hon. Mr. Reid: Yes. You only have to be a resident for ten years in order to qualify for this old age security pension of $55 per month. I think it is wrong. I take pride in being a Canadian and I oppose this whole scheme.

Hon. Muriel McQ. Fergusson: Honourable senators, I do not intend tonight to enter into any general discussion on social legislation in Canada although, like other honourable senators, I have strong opinions on the subject. I firmly support the social legislation that is on Canada's statute books at the present time. Because I was responsible for the administration of old age security for some time in my own province of New Brunswick, I am keenly interested in any amendments to the Old Age Security legislation and I cannot let this bill pass without expressing my approval of it.

I would like to congratulate the honourable senator from Lisgar (Hon. Mrs. Irvine) on the very fine and clear explanation she made of the bill when introducing it. She showed that she had a real understanding of the legislation, and sympathy for it.

As Regional Director of Old Age Security, I knew of and often dealt with many cases where under the provisions of the act pensions had to be suspended when the pensioner went out of the country for more than one month, either because he was seeking a warmer climate for health reasons or because it was necessary for him to live with or near to close relatives outside Canada. This often involved real hardship. The provision permitting retroactive payments for three months' absence in a calendar year, provided that the pensioner had not stayed out of Canada for more than six months, was some alleviation of this situation but, as you may know, the reinstatement and retroactive payment could only be made after the pensioner had returned to Canada. Frequently it was while the pensioner was out of Canada that he had the most

urgent need of the money, and payment to him after his return was not nearly so helpful nor so necessary.

The present amendment makes it possible to continue payments to all pensioners who go out of Canada for six months; and if the pensioner who goes out of Canada, or who is out of Canada at the time the legislation becomes effective, has resided in Canada for 25 years after reaching the age of 21 payments may continue as long as he remains out of Canada. This will be of great assistance in such cases as those to which I have referred.

Honourable senators, this legislation gives fairer treatment to those old age security pensioners who have lived and worked and paid taxes in Canada for many years but who find it necessary either for health or other reasons to reside outside of Canada, and I certainly give the bill my support.

Hon. David A. Croll: Honourable senators, first I want to endorse everything that the honourable senator from New Westminster (Hon. Mr. Reid) said against the Tories, but not against the bill.

Hon. Mr. Brunt: You are straddling a fence.

Hon. Mr. Croll: The bill is our baby and we intend to defend it, if necessary, but it really has not come under attack.

I want to congratulate the honourable senator from Lisgar (Hon. Mrs. Irvine) upon the very lucid, clear and convincing presentation she made on introducing this bill. She had a feeling for it, and that is the proper approach to this kind of legislation.

In so far as I am concerned I approve, endorse and wholeheartedly support the principle of the bill. I was a member of the joint committee of the Senate and House of Commons which brought in the report upon which this act was originally passed in 1951. I need not remind the house, for the honourable senator from New Westminster has already said it, that the Liberals are responsible for every bit of social legislation presently on the books. It sounds good just to repeat it and to know that it cannot be contradicted. The act we are amending today was placed upon the statute books by a Liberal Government, and is the only universal pension system available to any group of senior citizens in the civilized world. In that respect it is unique. It was and it still is a new dimension in social security.

It is interesting to know how this act came about. The joint committee of 1951, to which I have made reference, had a very difficult task before it. You will recall that the Old Age Pension Act provided for a payment at that time of $30 a month for those over 70 years of age, with a means test. The means test was odious to the recipients, and the pension itself was inadequate. The administration was difficult and haphazard; it was politically unpalatable and hard to defend. It had very few defenders. The committee had many hearings and carefully examined the existing schemes which, to the best of my recollection, were mostly of a contributory nature. After the many hearings were concluded a special subcommittee was appointed to bring in a report. I was privileged to be a member of that subcommittee. It was indicated to us that if we were able to bring in a unanimous report, legislation would follow. You can appreciate that there were four parties involved at that time. The Social Credit party was still alive.

Hon. Mr. Brunt: Well, it is still alive.

Hon. Mr. Croll: Still alive, you say?

Hon. Mr. Brunt: It forms the Government in two provinces.

Hon. Mr. Croll: I am talking about the Parliament of Canada, not the provinces. These things all took place in the Parliament of Canada.

You can appreciate that there were many compromises, yet the report was unanimous. Thus came about the Old Age Security Act of 1951.

Now, the committee considered many things. There was the matter of age, whether to make the qualifying age 65 rather than 70. When we took a look at the possible cost, we were a little taken aback and decided that the cost would be a little too heavy to start with. Then we considered lowering the age for women to 65. Britain makes a distinction between men and women in granting the old age pension. We left it for the time being at 70 years for both. The amount of the pension was considered. We all realized that $30 was inadequate. But what was adequate? We finally recommended $40, an increase of $10 over the $30 already being paid. Residence qualifications were considered—whether residence should be enough, or should we demand citizenship. Also whether it should be residence for 10 years or 20 years. Here, too, we compromised and decided to leave it at 20 years for the time being, in order to see what experience might be gained from the administration of the legislation. Then the question of absence from the country arose. There was legislation on our books providing for absence from the country with respect to other pensions. That was some guidance for us. The question arose as to what length of absence, whether to permit six months or three months, and it was decided to

start with a three-month period, and that we would deal with it later in the light of experience. We also studied the contributory systems, and much consideration was given to a contribution scheme. It was suggested that we have a contributory system parallel to the Old Age Pension Act. Then there was discussion with regard to superimposing a contributory scheme upon the Old Age Pension Act. In the end came the Old Age Security Act as we know it, which has been improved, as I will indicate, over a period of years. At that time a contributory scheme was considered desirable, but we realized that it would take too long to make it beneficial and meaningful to those senior citizens who needed help at once. I am speaking of 1951. There was a great urgency that something should be done at that very time. Consequently, the contributory scheme was left for another day.

The honourable senator from Lisgar has already stated that the 1951 act provided for a $40 pension for those over 70 years of age, and the qualifying residence was 20 years. It was to be paid for by a formula, a rather clever formula, I thought, which was devised by the Finance Department, and referred to as 2-2-2, with a maximum, that is, 2 per cent corporation tax, 2 per cent sales tax and 2 per cent income tax. It was hoped that that formula would raise enough money to make this scheme self-supporting, but it did not then, and it has not done so to this day. The deficit has been made up from the Consolidated Revenue Fund. In 1957 the pension was raised from $40 to $46. How this formula was arrived at was a mystery which was not understood by members of Parliament and was unappreciated by the voters. After the election of 1957 the qualifying residence was reduced by ten years and the period of absence was increased from three to six months, and the pension was increased to $55. Last year the formula for payment of the pension was changed from 2-2-2 to 3-3-3, with an increased maximum. The Minister of Finance has said that the fund will now be out of the deficit position. In his view—and I have no reason to challenge that view—he thinks that the 3-3-3 formula will be able to carry the fund in a surplus position. I do believe that the present formula falls with unequal weight on those least able to pay, and that it should be on a progressive rate rather than on a flat rate. I do not believe that after nine years it can be argued that the pension is a gift. It is clearly as of right.

This bill provides that residence in this country for 25 years after the age of 21 will entitle the pensioner to receive a pension even though he resides out of the country. It is difficult to understand, if a person is entitled to the pension, why he should not receive it wherever he may be a resident. I think the distinction should end there. A person who comes to Canada at age 60 and qualifies at 70, makes a contribution. Since we do not weigh the contribution of other citizens, why should we penalize those who appear to make less of a contribution than some others? If for reasons which they consider good—such as health, family, or other reasons—they find that they must leave the country and live elsewhere, I see no good reason why they should not take their pension with them. I ask myself the question, which you must ask yourself: Why 25 years after the age of 21? Why not 20? I have no answer to that question, and the Government has not any answer to that question. I ask why the arbitrary cut-off? It seems that the Government is trying in the light of experience to feel its way. I know some people look upon this kind of legislation with a fishy eye, to begin with, and then don't like the idea of pensions going out of the country. However, I think this is an improvement on the present act, and I am prepared to support it and to wait and see what happens in the light of some further experience. We shall be improving this act as time goes on, and there will be other opportunities to say something in connection with this sort of legislation and other legislation of a similar nature.

I want to make one special plea. Even if it falls on deaf ears, I am prepared to chance that. I want to make a special plea for the blind and the disabled pensioners. I know that it is a rule, and generally it is a good rule, that a person can draw only one pension from the federal Government. Consequently, those blind and disabled persons who are in receipt of a pension lose it when they receive the old age security pension. That brings on a particular hardship, since their afflictions have nothing to do with age. If the pensions are needed by the blind and the disabled before they reach the age of 70, how much more are they needed when they reach the qualifying age under the Old Age Security Act?

One more thing that needs to be said, and it is well to note here, is that one receives the pension only when he or she makes an application and fills out the necessary forms and satisfies the department. Nobody needs to accept it. In any event, no matter how high the tax bracket a person enjoys, there is still some benefit from accepting the old age security payment. I have heard in this house some complaints of people having to receive the pension and I have been waiting for an opportunity to say that the Government is not forcing it on anybody.

Hon. Mr. Bouffard: No, but a person entitled to receive that pension pays income tax on the amount of the pension even if he does not receive it.

Hon. Mr. Croll: He does not.

Hon. Mr. Bouffard: Yes, sir, he does.

Hon. Mr. Croll: You are quite correct; he is deemed to have received it and pays income tax even if he does not receive the money.

Hon. Mr. Bouffard: He has to take it, otherwise he pays income tax on something he does not receive.

Hon. Mr. Croll: The point I am making is that he does not have to take it. Of course, he has to pay tax. He has not the right to complain, because to my mind even if he is in the highest income tax bracket he will still have something left over after paying the tax.

Hon. Mr. Bouffard: Even if he does not take it, he must pay income tax on it.

Hon. Mr. Croll: Yes, of course he must, but he can correct it very easily by writing a letter and sending his birth certificate along to the Department of Health and Welfare.

Hon. Mr. Bouffard: Because he has to pay income tax on money he does not receive he is really being forced to take the pension.

Hon. Mr. Croll: It is available for him, but no one is forcing him to take it.

Hon. Mr. Macdonald: He is entitled to the pension, but whether he takes it or not he has to pay income tax.

Hon. Mr. Croll: He is deemed to have taken it.

We will be meeting this act from time to time, and we need to give consideration to improving it. There is room for improvement.

The qualifying age in my view is too high. In addition to that, there has been a great deal of talk in this country about a direct contributory scheme. Some studies have been made on it, but no action has been taken and none appears on the horizon. That is regrettable. There has been too much caution and lack of eagerness and consideration of a contributory scheme.

We must not be guilty of inattention to the plight of the aged. Too many of our aged citizens are being forced into retirement for no reason other than age. They cannot make ends meet on the monthly cheques from the Old Age Security Act and very many of them appear to have little more in the way of income, or ability to earn income, in order to make up the deficit. Many of these people don't feel old or incapable until they start looking for a job. I am not telling this house anything new when I say that in many instances the prevailing reason that a man is too old at 40 has nothing to do with his skill, but simply that a man of 40 who is seeking employment is judged to be a handicap to a conventional pension plan. Thus in this country these trained minds with unimpaired skills are left to "rest and rust".

This house has a habit of being honest with itself, and I think we have to admit that our social security program was enacted to erase from our conscience the guilt of the thirties. We often refer to our social security measures by using the term "welfare state". To me that means social reform in an advanced stage. Unfortunately, it is more used, particularly in this chamber, as a crushing phrase to suggest that a country which is a welfare state is soft and makes people soft. Nothing could be further from the truth.

We find that the reaction to a new departure is still confined to such questions as whether the nation can afford it, whether it will undermine the moral fibre of the people involved and whether it will impair the sacred doctor-patient relationship, even in those cases when no doctor can be afforded. I am getting to the point where I think we have to take a hard look at the totality of our social security. In December 1959 the Canadian Welfare Council recommended that the Government appoint a royal commission to study all aspects of federal responsibility in the welfare field to do three things: (a) assess present program; (b) determine priorities; (c) examine extensions. And the council listed the following for consideration, which I read from the Windsor *Daily Star* of December 12, 1959:

> 1. A cash sickness benefit program to provide income when people are forced off payrolls by illness.
>
> 2. A contributory or flat rate benefit program for dependent survivors, now only partially covered by provincial mothers' allowances.
>
> 3. Financial assistance universally available for all over 65 who need more than their pension benefits or old age assistance.
>
> Another result of haphazard development of social security has been uneven benefits. Individuals or groups receive higher benefits or better services because they happen to live in different places.
>
> A royal commission study into social welfare could serve a useful purpose in pointing up gaps and overlapping in services.

Yet we are very far from being a full welfare state. I think it worth while to consider what other countries, that is comparable countries, have in the way of welfare that we lack.

Let me talk for a moment about full health insurance. We in Canada have national hospitalization and full medical service for the

needy in some provinces. Australia, Chile, Iceland, New Zealand, Germany, Great Britain, all have full health services for all their people.

Old age pensions: We have a flat rate of $55 a month for persons over 70 years of age. Great Britain and the Scandanavian countries have a contributory scheme with a pension equal to half pay on retirement.

Unemployment Insurance: We have limited benefits in this country. Most countries extend benefits for 52 weeks a year.

Maternity benefits: None are available in this country except through hospital insurance. There are 42 countries in the world that pay maternity benefits.

Hon. Mr. Buchanan: The province of Alberta does.

Hon. Mr. Croll: But does it not do so through the hospital insurance plan?

Hon. Mr. Buchanan: No.

Hon. Mr. Croll: I stand corrected by my honourable friend, who knows Alberta better than I do.

Hon. Mr. Stambaugh: Provision is made for 12 days' coverage in hospital.

Hon. Mr. Croll: Well, good for Alberta! We ought to follow them.

Hon. Mr. Roebuck: New Zealand has a splendid system.

Hon. Mr. Croll: I have not a list of the other countries. There are, as I have said, 42 countries which have maternity benefits and New Zealand could be one of them.

Incapacity for work: We have a disability pension with a means test. Thirty-two countries have disability pensions without a means test.

Sickness insurance: We have none in this country at all. Iceland, Sweden, Belgium, Great Britain, Czechoslovakia, Italy, all have full sickness insurance coverage.

Funeral benefits: 29 countries in the world pay funeral benefits; Canada has none.

In addition, we have in this country child maintenance, known as family allowances. Twenty-one countries have some form of child maintenance.

I am sure honourable senators will forgive me if, in talking of Family Allowances, I remind the house that a great Canadian who died yesterday, the Honourable Brooke Claxton, as Minister of National Health and Welfare, was responsible for bringing this measure before Parliament and for its administration. We owe him a great debt. This measure has been of substantial benefit to Canadian people, despite the fact that the honourable senator from Blaine Lake (Hon. Mr. Horner) voted against it. He said his was the only dissenting vote in the Senate.

Honourable senators, that enumeration gives us some idea of the social services available in countries comparable to Canada. My suggestion is that a total study would give us an overall picture, and would tell us of the inadequacies and the failures of our present piecemeal approach, which has so many noticeable gaps. It is particularly noticeable in the light of new ground which will presently be broken in the province of Saskatchewan when the Government of that province introduces a compulsory prepaid medical plan, which was the chief plank in their recent platform and was endorsed by the voters, notwithstanding what anyone else says. I think health insurance is our most urgent need, and it appears to have the greatest reward. Better medical care available to all our citizens would not only improve health and save life, but it would also make industry more efficient and allow greater economies in expenditures on other social services.

It is heartening to read the wise and responsible statement issued by Dr. A. D. Kelly, General Secretary of the Canadian Medical Association with respect to the proposed legislation in Saskatchewan. I quote from the Toronto *Star* of June 10 last:

> "This is a democracy," he said, "The C.M.A. accepts the decision in that light. Our efforts will now be bent on avoiding the defects we see in government plans elsewhere."

That can only mean that the medical association intends to help formulate Government plans, wherever they may be made, and will assist in their administration. In other words, the association realizes that this is inevitable, and the best thing to do is to have a hand in the planning of it.

It is even more interesting to recall that the charge made against the National Health Service in Great Britain was that it was expensive and uncontrollable. In 1953 the Conservative Government there established a committee to inquire into the operation of the service to learn how outlays could be got back under control. It will be remembered that the British health plan was under attack. I have the report here. To the surprise of everyone, the committee found that after five years of operation of the service the *per capita* outlays were about the same as when it was established and that costs as a percentage of the gross national product were declining. So the project received full support and is no longer a political question in that country.

We in this country are today faced with serious differences in pension, health and other welfare plans that have been developed

for individual occupations and industries, where workers are concerned with their own reward. There is no question that the individual industry bargaining on social benefits should be integrated to the orderly development of an overall comprehensive program that pays greater attention to equity and to need.

Today we have a hodge-podge on the level of benefits, depending upon the strength of the bargainers, the ability of an industry to pay, and the welfare traditions of the particular industry. So a study of the overall social security would do much to bring these matters into line, with the result that benefits would go to those who need them most.

The Old Age Security Act is one of the really shining lights among our social security measures, one which I have supported on other occasions and which I wholeheartedly support now. I hope that before long the Government will see to it that the system is improved in the way that it can best be improved, namely, by lowering the qualifying age limit.

Hon. Jean-François Pouliot: Honourable senators, some years ago Mr. Beveridge submitted a plan to provide security from the cradle to the grave, and tonight we have had very, very interesting speeches with regard to all pensions that are paid by nearly all Governments. I must pay tribute to the honourable sponsor of this legislation (Hon. Mrs. Irvine) and to my colleagues who have delivered elaborate speeches on the matter.

But, to revert to the present bill, it stipulates two things—two very different things. One is that the payment of the old age pension will not be stopped because someone spends six months outside of Canada. This is quite reasonable, and I agree with it, but when the door is slightly ajar there are some people who want to make it quite open. I cannot agree with the second provision, which is to the effect that when anyone has spent 25 years in Canada after attaining the age of 21 the old age pension will be paid to him indefinitely outside of this country. That makes no sense to me. Why was this period of time established? Who did it, and at whose request? Why 25 years?

The honourable senator from Toronto-Spadina (Hon. Mr. Croll) was perfectly right. He said: "Who made that calculation, and why?" I wonder how it can be explained. I find that it is completely without any sense that Canadian money should be paid to any person who repeats the words of Cato:

Ungrateful country, thou shalt not have my bones.

He is paid, until his death, for staying outside of Canada. Who could imagine that? To me, the one who drafted this legislation is not "all there". I do not know who it was. In saying that, I offend no one in the Senate, because this comes from elsewhere. It must have come from a gentleman who thought of that in some dream, and who, perhaps, wants to enjoy it himself. There is no possible reason for it.

Hon. Mr. Dupuis: I apologize for interrupting the honourable gentleman who is explaining this situation very well, but may I suggest a possible explanation of why this change is proposed? Suppose my son and his family live in New York; and I live alone in Canada, but want to die while living with my son's family. I wonder if cases such as that are not the reason for permitting pensioners to continue receiving the pension when out of Canada.

Hon. Mr. Pouliot: My honourable friend is good natured. He has a great deal of imagination, and I thank him, but the case he suggests is one in a million. I do not see the use of that part of the bill.

In conclusion, honourable senators, I cannot stand for this bill that is before us, and I must tell the honourable Leader of the Government (Hon. Mr. Aseltine) that it will arouse the public against social legislation. The people will say: "We oppose it". Naturally, there are some people who go south to a mild climate in which to spend the winter months, but there is no better climate than that of Canada in the summer months. I cannot see why those people do not return to Canada for six months and then go back to visit across the border. I wonder if the Government would be agreeable to the striking out of subparagraph (b) of the proposed new subsection 1 of section 5 of the Old Age Security Act. I will read the clause, and everybody will realize that I do not exaggerate. It says:

Subsection (1) of section 5 of the Old Age Security Act is repealed and the following substituted therefor:

5. (1) Where a pensioner absents himself from Canada and remains out of Canada for six consecutive months, exclusive of the month in which he left Canada, payment of his pension for any period he continues to be absent from Canada after those six months shall be suspended, but

(a) payment may be resumed with the month in which he returns to Canada,—

So far there is no objection. If we put "30" there I will support the bill, but here is the part I object to:

—and

(b) payment may be continued for any period he remains out of Canada after those six months if he establishes that at the time he left Canada he had resided in Canada for at least twenty-five years after attaining the age of twenty-one years

Twenty-five plus 21 is 46. Who receive pensions at the age of 46, except those who

receive family allowances and the blind? Besides those people, there is nobody. Who made that calculation with respect to somebody being 46 years of age and receiving the old age pension?

Hon. Mr. Roebuck: It does not say that.

Hon. Mr. Pouliot: No, but I make my own interpretation. I will tell my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) that there are some youngsters of 21 who are just coming out of school and will not work, who are ready for the old age pension. It is unfortunate. It is sad. I will remind him also of a great man's theory on relativity. He spoke of the relativity of space. There is also the relativity of age. What saves some people who have quite a number of years behind them, even the age mentioned in the Scriptures, three score and ten, from being precisely old is that they are not senile, they are not decrepit and they keep their hearts young. It is quite depressing to hear so much about old age.

We know the story of the Good Samaritan who had a big heart and who went to help someone along the roadside who was suffering and abandoned by everybody. But the state is not supposed to be a Good Samaritan, although it is only fair that people who are unfortunate and who suffer, I would say, the injustices of life, should have all their troubles remedied to a certain extent, provided that they are old people, that they stay with us, that they do not deny and disown Canada. I am all for giving a chance to those who, upon the prescription of a doctor, have to live in a milder climate during the hard season. Six months is enough. Let us write "30" after paragraph (a) and let us not pass paragraph (b). This is for the good of everybody and for the satisfaction of our minds.

Hon. William M. Wall: Honourable senators, I shall not detain the house long, but I do wish to speak briefly about the new portability principle of the bill to which the honourable senator from De la Durantaye (Hon. Mr. Pouliot) has objected so vigorously.

The basic intent of the bill revolves around the right being acknowledged and given by Parliament to a Canadian who has reached the age of 70 and qualified for old age security payments to carry this benefit payment with him wherever he may go, provided that the person has contributed for 25 years to the economic growth and development of this nation and also contributed to the provision of the required tax revenues from which these payments were being made on the 2-2-2 and now on the 3-3-3 formula.

We might remember that at a previous session of Parliament we had agreed to a reduction of the previous 20-year residence qualification, which now stands at ten years. In other words, we have accepted as a matter of principle that ten years of contribution to the economic development of Canada and ten years of tax revenue contribution gives to the Canadian the right to receive old age security payments provided he continues to reside in Canada.

When the scheme was initiated we also accepted as an operative principle that this money should be spent at home, and we cut off these payments when a person left Canada, although on his or her return we permitted retroactive payments of three months which we increased in 1957 to a period of six months.

The present bill introduces a very important new principle. It amends the limitations on these out-of-country benefits and provides for full portability of these benefits, but only for those who have spent at least 25 of their productive working years in this country. Canadians who have not reached this 25-year minimum—and there were questions raised as to how these 25 years were arrived at—will still be subject to the former restrictions, with the important difference that payments will not be immediately suspended as before but will be continued for six consecutive months, not including the month when the person left Canada.

As I read the bill, the 25-year residence-in-Canada period is elastic in the sense that a pensioner with, say, 22 years of residence in Canada may live in Canada for three more years, and thus satisfy the full portability provision of this act. If my interpretation is incorrect, I hope that it will be corrected either here on the floor or in committee.

I am going to support this bill, because I want to believe that it will be of assistance to many Canadians who may, for reasons important to themselves, wish or need to reside elsewhere than in Canada for health reasons, for economic reasons or what have you. Having expressed my general support of this bill, which I find useful, sensible and reasonable as far as it goes, I feel that I must make these additional and, I hope, pertinent observations.

Honourable senators will remember that the sponsor of the bill (Hon. Mrs. Irvine) gave a very careful and clear explanation of the basic reasons which are prompting the Government to make the amendments now before us. These reasons, if I may recapitulate them in an abbreviated form, hinge upon the proposition that these security benefits are earned by those who will receive them by the 25 years of productive effort and by the now nine years of specially withheld taxes. We were told that this legislation makes an effort to strike a balance between

those who have earned this right to full portability and those who have not and whose pensions, as was stated, would be out of all proportion to the contributions they had made to the Old Age Security Fund and, I might add, to Canada's economic development.

My basic criticism of the legislative instrument which is to achieve this judicious balance is that it is inadequate, because it divides the "in's" and the "out's" somewhat very crudely and roughly. Please remember: ten years in Canada and you qualify; and, on the basis of this new amendment, you can then live approximately six to seven months outside Canada on a recurring annual basis. This means that with ten years of contributions you are entitled to spend half or a bit more of these benefit payments outside Canada. This new privilege or right you have earned, according to Parliament's new interpretation, if the bill passes in this form. If we accept the proposition that these benefits are earned, then I suggest in all sincerity that we ask ourselves whether we cannot evolve a better legislative instrument which would measure portability more effectively and more justly for those Canadian citizens who may have lived in Canada for 15 or for 20 years of their productive life. Why not, as the honourable senator from Toronto-Spadina (Hon. Mr. Croll) asked, have a progressive portability—if I understood him correctly. Why this arbitrary cut-off of 25 years?

I have this suggestion to make to the Government as an improvement of this bill. Why should a citizen who has lived in Canada for, say, 20 out of 25 years of his productive life not be entitled to say 20 twenty-fifths, or four-fifths, of his old age security benefit outside of Canada? One could argue that if ten years of residence in Canada entitles recipients to spend half and a bit more of their benefits outside Canada, then 15 years of productive work in Canada might entitle the recipient to spend 15 twenty-fifths, or three-fifths, of these benefits outside of Canada. It could be argued that only the more wealthy will be able to enjoy the financial freedom to leave Canada for six months of the year and still receive their monthly payments and come back again, while those who are poorer will simply be unable to take advantage of these relaxations. It could also be argued that many of these poorer people would benefit a great deal if they knew that they could leave Canada and go back to the United Kingdom, for example, to live with their children or relatives and receive some percentage of the benefits, the percentage that they have earned through their contributions of labour and taxes. I am interested in helping these older people, no matter how small their percentage might be, and I see no particular problem in working out this entitlement relationship.

For the sake of further argument—and we might remember that the honourable the sponsor of the bill stated that it is estimated that between 80 and 90 per cent of all pensioners will have no difficulty in establishing that they have 25 years or more of residence in Canada following their twenty-first birthday—suppose we refine this legislation further to make it possible to grant what I would term "in-between stages of portability on a sliding scale" to Canadian citizens. My suggestion is very simple. Beginning with 15 years of residence in Canada, why not have 50 per cent of the security payment fully portable at this level, this percentage increasing by 5 per cent for every additional year of residence up to 25 years, when the whole security payment would become fully portable, as this bill envisages? If this measuring device is too fine, perhaps some formula equally equitable could be devised.

Honourable senators, in concluding, I want to say once again that I support the legislation as far as it goes, and I make my suggestions to the Government on the same grounds that were advanced when this bill was introduced, namely, that these benefits are not gifts, they are not privileges, but they are really earned. If so, then I maintain that the percentage of portability of these benefits could be adjudicated with greater justice.

Hon. W. Ross Macdonald: Honourable senators, I trust it is the intention of the Government to refer this bill to a committee. In fact, I must insist, unless I am satisfied this evening that the bill is in the right form and need not go to a committee. There is one word in the bill which gives me considerable concern. I refer to the word "and" at the end of paragraph (a) of new clause 5(1), which provides that:

> Where a pensioner absents himself from Canada and remains out of Canada for six consecutive months, . . . payment of his pension for any period he continues to be absent from Canada after those six months shall be suspended, . . .

Well, that is clear enough. Then the clause continues "but"

> (a) payment may be resumed with the month in which he returns to Canada, and
>
> (b) payment may be continued for any period he remains out of Canada after those six months . . .

Does that mean that the old age pensioner who has been absent for six months from Canada must return to Canada, when payment of his pension will be resumed, and after that he can remain out of Canada a further period, provided he has spent 25 years in Canada? I am sure that is

not the intention, but I am not sure that is not the only conclusion you can come to on account of the word "and" at the end of paragraph (a).

Hon. Mr. Aseltine: There is no objection whatever to the bill being referred to the proper committee for further study.

Hon. Mr. Macdonald: I am bringing this to the attention of the Leader of the Government (Hon. Mr. Aseltine) now so that he will have someone present in committee to clarify that point, which I think is important. I did not read the debate that took place in the other house too carefully, but I doubt if that point did receive consideration there.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mrs. Irvine, bill referred to Standing Committee on Banking and Commerce.

The Senate adjourned until tomorrow at 3.30 p.m.

APPENDIX

(*See p. 787*)

UNVEILING OF MARBLE PORTRAIT OF HON. CAIRINE R. WILSON

IN THE SENATE ANTECHAMBER, FRIDAY, JUNE 10, 1960, AT 5 O'CLOCK P.M.

Hon. Ellen L. Fairclough (Minister of Citizenship and Immigration): Mr. Prime Minister and ladies and gentlemen, this is an occasion which happens only once. We are here today through the representations of a number of friends of Senator Wilson, through the kind co-operation of the Speaker of the Senate, with the support and interest of the Prime Minister, and the pride of the Clan Mackay, as evidenced by the presence of His Honour the Lieutenant-Governor of Ontario.

I was very happy to accede to the request of the committee to open these proceedings, but I can assure you that it is not my intention to make any comments on either the personal or the historic significance of this occasion. However, I do want to make a few remarks with reference to the co-operation of the Prime Minister, and to say to him how grateful we are that he has agreed to perform the very important function of unveiling this portrait. Of course, the interest of the Prime Minister in the public service of women is well known, and no one should know that better than I. But in addition to my own appointment and that of Senator Irvine, in the last three years there have been appointed to boards and commissions some twenty-two women; and Canada is now represented abroad by women in the respective capacities of one ambassador, two consuls and eight vice-consuls, all of which, I think, is significant and is tangible evidence of the great interest the Prime Minister has in the role which women can play in the service of their country.

Ladies and gentlemen, it is with a great deal of pride that I call upon the Prime Minister to speak now, and to officiate in this ceremony.

I present to you the Right Honourable John G. Diefenbaker, Prime Minister of Canada.

Right Hon. John G. Diefenbaker (Prime Minister): Your Honour the Lieutenant-Governor, ladies and gentlemen, my colleague the Minister of Citizenship and Immigration has mentioned the fact that this is indeed a unique and historic occasion, and it is well that we should recall the achievements of those who are entitled to national recognition while they live. Too often the things that we would say remain unsaid until the person about whom they are said is no longer able to hear them.

I am privileged to be here this afternoon and to join in doing honour to one who has made a great contribution to Canada. It is well to recall at this time that it was not so many years ago that there was grave doubt expressed as to whether women were persons. It was a matter of only 30 years ago when the question arose as to whether women could be appointed, or were qualified for appointment, to the Senate of Canada. That there was some divergence of view in that regard is indicated by the fact that the Supreme Court of Canada decided that women were not qualified. However, in those days there was a right of appeal to the Privy Council. That august body, after hearing the arguments advanced, decided that women were persons, thereby enabling the Upper Chamber to have that membership on the part of womenkind that we in the House of Commons even in those days had learned to appreciate through the membership of Agnes Macphail.

So it came that Mrs. Cairine Wilson was appointed to the Senate of Canada.

I think of those who participated in that valiant fight for recognition. And of course, without any prejudice whatever, may I say that all five were from Western Canada, one only of whom, the Honourable Irene Parlby, is living today. They made their contribution, they advanced their claims, they were recognized.

Then it came about as to who should be appointed to the Senate. I reveal no secret, that there are always available persons prepared to accept appointment to the Senate of Canada. I think that applies in every generation, regardless of the identity of the Prime Minister. But at that time there was one who stood out. Mr. Mackenzie King, the then Prime Minister, recommended the appointment of her whom we honour on this occasion.

Why should Senator Wilson have received the honour? Well, through the years she had taken a tremendous part in the service of her country, particularly in the field of recognition of the humanitarian necessity of assuring homes for refugees. In the public

field she had been born into the atmosphere of Parliament. Her father was a member of the Senate—and again there is no bias when I point out that the Lieutenant-Governor of Ontario, the President of Clan Mackay, is here on this occasion in order to pay his unprejudiced tribute to the Clan Mackay. Senator Wilson's husband was a member of the House of Commons. In the field of international affairs she had been President of the League of Nations Society of Canada.

Those were worth-while contributions. But for myself, fine as those contributions were, I think of her as one who in the field of social and humanitarian service made a contribution as comprehensive as the numberless organizations in that field. I could name them. To do so would simply mean to name practically all those voluntary organizations which bring about the translation of the concept of brotherhood to those lesser privileged. In that field too Senator Wilson has made a contribution that is recognized throughout the world.

On this occasion, in performing a function which is a happy and privileged one for me, I know, Senator Wilson, that in recognizing you today in this way, that in the years ahead, long after you have left, men and women, as they pass this way, will recognize you as one of those who in your day made a contribution worthy of being remembered.

That is all I have to say; much more I could say. It is now my privilege to unveil this marble portrait of Senator Wilson. In doing so may I say my hope is that her life will be an inspiration not only to us living, but to generations yet to come.

(*The portrait was unveiled.*)

Hon. Cairine R. Wilson: Mr. Prime Minister, Your Excellencies, ladies and gentlemen—or may I say my friends, for I hope you are all my friends. After listening to the fine tributes from the Prime Minister I fear you are wondering who this amazing woman is. I could not believe that such praise would ever come to me. Agnes Macphail once said that she and I would be remembered by posterity, thanks to the work of Felix W. de Weldon. It is now true. Agnes Macphail is enshrined in bronze near the House of Commons, where she served so long and so well. But in my wildest dreams I never pictured my own image in the Senate antechamber to be unveiled by the Prime Minister of Canada in the presence of such a gathering.

I can only express my thanks, particularly to those few friends who organized this wonderful tribute.

It is true that I have been tremendously interested in the cause of the homeless. That I should have been the means of lending more succour to them, is a great joy today. I thank everyone who has had any part in these proceedings.

The Prime Minister alluded to the fact that there are now several women in the Senate. I regret that the Honourable Iva Fallis, who joined me here in 1936, is no longer with us; and I am sure we who are here today are indeed sorry that Senator Mariana Jodoin is ill and cannot be present. We all pray for her early recovery.

It has been a great joy and satisfaction to me to know, and to be assured by my colleagues of my own sex that I made the way more easy for them. My husband lived in constant dread that I should do something which would bring the family and my sex into disrepute.

All I can say is, I know that I am unworthy of the tribute you have paid me today.

Hon. Mark R. Drouin (Speaker of the Senate): Mr. Prime Minister, in coming here this afternoon you have enhanced by your presence and by your eloquence the historic importance of this great occasion. We all know how heavily you are burdened each day by the affairs of the nation, but you give us proof every day of your dedication to your exalted position. You are always willing and even anxious, prompted by the natural generosity of your heart, to pay homage to Canadians, like Senator Wilson, who have served their country well. This is, I am sure, the reason for your presence here today. I express the sentiments of all those assembled here, including Senator Wilson, in telling you how grateful we are to you for being with us and making it possible for us once again to enjoy the superb gift of oratory which you possess to such a high degree. Speaking after you is never an easy task—that is why I prepared the text of my remarks—and I must admit that I always try to avoid it. Today this was, however, not possible, and I beg your indulgence.

Mr. Prime Minister, Your Excellencies, honourable Ministers, honourable colleagues, Members of the House of Commons, ladies and gentlemen, we are assembled this day to honour one of our company whom we hold in deep affection and respect.

The Honourable Cairine Reay Mackay Wilson completed recently thirty years in the public service of our country. Throughout this long and fruitful career she has won the esteem and admiration of all Canadians for her devotion to the common weal, the maturity of judgment and wisdom of counsel she has constantly displayed in the discussion of affairs of state, her successful initiatives for the relief of suffering and the redress of existing evils at home and abroad,

her effectiveness as an advocate of social justice and security, and her personal qualities of charm, friendliness and dignity. We are grateful to her for her admirable contribution not only to the work of this house but to its reputation and prestige.

Her readiness to support actively any cause to further the betterment of her fellow citizens, her practical idealism and her dedication to human welfare and well-being, her gifts as an organizer and speaker would have marked her for a position of leadership in any field of endeavour. It was her good fortune and ours that she was given scope for her outstanding abilities, not only in this house, but in national and international organizations.

Many of Senator Wilson's qualities she no doubt owes to her Scots ancestry, and my honourable colleagues will pardon me a feeling of pride, on this occasion, for the Scots blood in my veins. If I may be allowed to carry on in this more personal vein, I am particularly gratified that Senator Wilson was born, as I was, in the province of Quebec, and that she was brought up, as I was, in the two main traditions of our country.

(Translation):

Not only, Madam Senator, have you enriched the French language with a new word, that of "sénatrice", but you have, by the dignity with which you bear it, given to this title an added distinction. You have been an inspiration to our women's associations who have helped raise the moral standards of the country and who have made a new contribution to social well-being. As their interest in social activity increases, our women realize more fully the part they are called upon to play individually and collectively. Increasingly conscious of their rights, of their duties and of their power on public opinion and on the laws of the land, through the exercise of their prerogatives as citizens in their day-to-day relations, women of today have a useful contribution to make to the solution of problems with regard to children, public health, housing, social justice, morality and the respect of spiritual values. Nationally, as well as internationally, you have, by wise and effective action, defended and advanced all the causes which you have espoused, in order to improve the lot of the poor, of the underprivileged, of the forsaken and of those whose personal activity has been curtailed by violence, injustice or unfortunate circumstances.

We are paying tribute, Madam Senator, to the qualities of heart and mind which have characterized your life and made of it a worthy model for Canadian women, whom you have represented in our Chamber for more than thirty years.

I deem it a signal honour, as Speaker of the Senate, to accept and to receive in this Chamber the magnificent work of art bearing your likeness and reflecting so faithfully the personality of one of the most distinguished members of the Senate, for whom we all have the greatest admiration.

(Text):

It gives me considerable pleasure and I am personally honoured to formally accept, in the name of the Senate of Canada, this magnificent marble portrait of Senator the Honourable Cairine Reay Mackay Wilson, to whom we all wish to formally convey the expression of our esteem and admiration.

I would now call upon His Honour the Lieutenant-Governor of the Province of Ontario, who belongs to the same clan as Senator Wilson and presides over its destinies. Your Honour, would you care to say a few words and bring these proceedings to a close?—Thank you.

Hon. John Keiller Mackay (Lieutenant-Governor of Ontario): Mr. Prime Minister, Mr. Speaker of the Senate, Your Excellencies, Senator Wilson, ladies and gentlemen, the privilege of raising my voice on this auspicious occasion fills my bosom with sudden emotions, and my mouth with expressions, though imperfectly expressed, of respect, admiration and esteem for my friend and clanswoman, Senator Cairine Mackay Wilson. A devoted wife, loving mother, charming grandmother, and an adorable great grandmother, Senator Wilson, now in the very prime of her intellectual powers, continues to make a great contribution to the public life of this country. Her head is crowned not only with silver, but respect, admiration, esteem and love.

THE SENATE

Wednesday, June 15, 1960

The Senate met at 3.30 p.m., the Speaker in the Chair.

Prayers.

RAILWAY BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. W. M. Aseltine moved the second reading of Bill C-61, to amend an Act to amend the Railway Act.

He said: Honourable senators, the purpose of the proposed legislation is to extend for a further period of three years the provisions enacted in chapter 40 of the Statutes of 1958, which increased during the period of three years from January 31, 1958 the maximum contributions available from the Railway Grade Crossing Fund.

Honourable senators will no doubt remember that on September 2, 1958 I introduced a bill, No. C-52, to amend the Railway Act. At the beginning of my remarks on that occasion I said this:

> Honourable senators, I would like to give a brief explanation of this measure. It has mainly to do with section 265 of the Railway Act, which section was brought into force as far back as 1909 as an amendment to that act whereby Parliament set up a Railway Grade Crossing Fund which supplied not more than 20 per cent of the cost of any one railway grade crossing, the maximum amount being $5,000. This section, honourable senators, has been amended many times since: in 1914, 1919, 1926, 1928, 1929, 1938, 1947, 1950 and 1951, and perhaps at some other times of which I have no record. Every time an amendment was made to this section it was for the purpose of increasing the grant for any one grade crossing and also increasing the annual grants made by Parliament to this fund.

A little later in my explanation of that Bill C-52 I mentioned that there were certain other amendments, and I said:

> The first permits grants to be made from the fund toward the cost of placing reflective markings on the sides of railway cars ...
>
> The next amendment specifies the maximum contributions to be made to assist the railway companies with respect to the marking of sides of railway cars.
>
> The third amendment provides for the marking of sign boards at level crossings with reflective material.

These provisions in the 1958 legislation increased the contributions from the fund from 60 per cent to 80 per cent, with a maximum of $500,000, toward the cost of construction of works for protection, safety and convenience in respect of existing level crossings, and from 30 per cent to 50 per cent, with a maximum of $250,000, toward the cost of reconstruction of existing grade separations. These provisions also included similar percentages toward the cost of relocation of public utilities necessary for these works, and provided grants of 80 per cent of the cost of placing reflective markings on the sides of railway cars. The provisions applied to works authorized during a period of three years from the 31st day of January, 1958.

The reason why the present bill is necessary is that the three-year period will expire next January. It is proposed by this measure to extend these provisions for a further period of three years.

After the 1958 act was passed the Government voted an additional $10 million for that year over and above the statutory provision for an appropriation of $5 million, to be applied to works eligible for grants to the Railway Grade Crossing Fund. An additional $10 million was also voted in 1959.

Honourable senators will be interested in some further information as to what has been accomplished. With respect to the reflective markings on the sides of railways cars, much progress has been made up to the present time. Reflective markings had been installed on 3,770 box cars as of December 31, 1959. On May 1, 1960 the Board of Transport Commissioners ordered the Canadian National Railway Company and the Canadian Pacific Railway Company to mark 3,000 box cars each in 1960.

Hon. Mr. Isnor: Would the honourable Leader of the Government (Hon. Mr. Aseltine) be good enough to describe the kind of markings being put on these box cars?

Hon. Mr. Aseltine: I do not have that information at the present moment.

Hon. Mr. Wall: How would the total of 3,770 box cars that have been marked, together with the additional 6,000 to be marked in 1960, compare with the total number that are supposed to be marked, and how long is this work going to take?

Hon. Mr. Aseltine: I cannot inform my honourable friend of the total number to be marked or how long it will take to mark them. One reason for extending the time for another three years is so that the work can be completed. After that period the railway companies can carry on the marking of the new cars, and the cost to them from that time on will be less.

Although the 1958 bill was not sent to committee for study I would not object to sending this bill to committee. If that is done, one of the Commissioners of the Board of Transport will be present to give detailed information.

When the 1958 legislation was before us the honourable senator from Churchill (Hon. Mr. Crerar) asked me some questions, which I replied to a day or two later. He inquired as to what extent reflective markers had been placed on box cars in the United States. I understand that the Great Northern Railway Company has marked all its railway box cars. Generally speaking, however, railways in the United States are not required by law to put reflective markings on their cars, but some of the companies have used reflective paint and reflective markings of their own volition and at their own expense.

Automatic protection installations were made at 600 crossings in the past two years. These consisted of flashing lights and bell at 549 level crossings and automatic gates with flashing lights and bell at 81 level crossings. Grade separations were made at 99 locations in the past two years. That work covered the following: 58 new grade separations, resulting in the elimination of as many level crossings, and 41 reconstructions of existing grade separations.

Honourable senators may also like to know how many applications for automatic protection and grade separations are now before the board. The applications are for automatic protection at 353 level crossings and grade separations to eliminate 58 level crossings, and reconstruction of 26 grade separations.

That is all the detailed information I have with regard to the work that has been done. However, the intention is to carry on with this work for another three years after the 31st day of January 1961. I am sure honourable senators know and believe the work is very important, owing to the large increase in the number of automobiles, trucks and other vehicles that are on the road day and night. People are continually being killed at level crossings, and many deaths have resulted from collisions of motor vehicles with trains having no reflective markings on the sides of the cars.

Honourable senators, that is a brief explanation of the bill which I am presenting today for second reading.

Hon. Mr. Crerar: May I ask my honourable friend a question? Do I understand that the percentage contributed by the federal Government is being increased from 60 per cent to 80 per cent?

Hon. Mr. Aseltine: It continues at the present rate.

Hon. Mr. Crerar: 80 per cent?

Hon. Mr. Aseltine: As I explained, the 1958 legislation increased the contribution from the Fund from 60 per cent to 80 per cent, and that is not being increased by the bill before us.

Hon. Mr. Higgins: May I ask the honourable leader (Hon. Mr. Aseltine) a question? Subsection (2) of section 1 of the bill says:

> The total amount that may be applied towards the cost of placing reflective markings on the sides of railway cars shall not exceed eighty per cent of such cost, . . .

What about the other 20 per cent? Does this mean that the Government pays 80 per cent, and the railways 20 per cent?

Hon. Mr. Aseltine: That is correct.

Hon. A. K. Hugessen: Honourable senators, we are indebted to the honourable leader (Hon. Mr. Aseltine) for the interesting information he has given us about progress that has been made during the past few years in connection with the improvement of various level crossings and the additional grade separations that have been built.

I think the house will be unanimous in approving the extension of the time within which these additional contributions are to be made by the federal Government. We are simply following out a principle which, as the honourable leader said, has been incorporated in our legislation for a very large number of years, providing for contributions by the federal Parliament to the cost of these works.

I was interested in what the honourable leader had to say about reflective markings on freight cars. As I remember from the debate of two years ago, reflective markings on the sides of box cars are intended as a safety device at night to protect motorists who are approaching a level crossing where a freight train happens to be standing or to be going by. I suppose somebody has to start this thing, the placing of reflective markings on box cars, and this country has begun that, as the leader explained. In fact, as I think he said, the Board of Transport Commissioners has ordered two Canadian railways to continue placing these reflective markings on their box cars. But the difficulty is with regard to another matter that the leader discussed, and that is the situation in the United States because, as honourable senators know, the large majority of our freight trains consist to some considerable extent of box cars belonging to United States railroads. So where a train is standing at a level crossing at night and there are reflective markings on certain box cars and not on others, it may be that the danger to the motorist is thereby increased. In such a case he perhaps sees a reflective marking on each side of the level crossing, but the car which happens to be across the level crossing at the moment may be an American car and not bear reflective markings, so he thinks the road is clear.

I am glad that my honourable friend has suggested that this bill be referred to a committee for study, because I think we should get information as to the general policy that is to be adopted and as to the possibility that the United States might in due course follow the example which has been set by Canada and require, by legislation, that box cars of American railways shall have these reflective devices attached to them. Until that happens I think certainly the objective of the legislation will not be completely realized and conditions may be, for the time being, even more dangerous than before.

Hon. Arthur W. Roebuck: Honourable senators, unfortunately I was not in my seat when the honourable leader (Hon. Mr. Aseltine) commenced his explanation, and it may be that he has answered a question that I would like to put. I would like to know why this work was not done in the three years that have gone by. When we passed the statute of 1953 we were given assurance that this work could be completed in three years. A number of years have gone by and now another three years are asked for.

Hon. Mr. Aseltine: Just two years have gone by. The figures I gave as to completions were to the end of January last, and some 3,000 box cars have been ordered to be marked.

Hon. Mr. Roebuck: Only ordered? How many have been marked?

Hon. Mr. Aseltine: I gave the number that have been marked.

Hon. Mr. Roebuck: Two years is quite a long time to take to mark a few box cars. There are quite a number of box cars in Canada altogether, but only 3,770 have been marked. We passed this legislation in the first place because of the number of tragic instances where motorists ran into the side of railway trains, with results more disastrous to the motorists, perhaps, than to the railways. Now, I am not so complacent as my honourable friend from Inkerman (Hon. Mr. Hugessen) about giving another three years on top of the two years that have gone by, and another year besides—in all six years—to mark a few box cars.

With regard to American cars, I see no reason why markings cannot be hung, perhaps temporarily, on cars which cross the border into Canada. This protective device is a reflective marking, not an electric light or an oil light or something of that kind; it is merely a method of reflecting the motorist's own lights and giving him warning. I think somebody has been dawdling about this thing much too long and needs to be hurried up a bit.

Hon. Mr. Aseltine: I did not say that it is going to take another three years to mark these cars.

Hon. Mr. Roebuck: Why then give the railways another three years to do this work? We are really allowing them four years more, because they have one year left of the three years that we originally allowed them. Why give them four more years to mark a few box cars?

Hon. Mr. Aseltine: May I say that the big work to be covered by this legislation is the elimination of level crossings by the building of overpasses or underpasses, and that is a slow job.

Hon. Mr. Roebuck: I can understand that.

Hon. Mr. Aseltine: The cost of constructing these structures runs into a lot of money—$500,000 for one, $300,000 for another, and maybe more than that for some others. The elimination of level crossings has been going on since 1909. The work is being done as fast as possible, but it is absolutely impossible to complete it throughout Canada in three more years. This work will no doubt be carried on to a greater extent than putting reflective markings on the sides of box cars.

Hon. Mr. Roebuck: In that case why do we extend the time for marking cars as well as for doing this heavier work?

Hon. Mr. Aseltine: We will find that out.

Hon. Mr. Roebuck: I can understand clearly why we do not force the railways to eliminate all level crossings within the next three or four years, but why should the work on level crossings delay the marking of box cars?

Hon. R. B. Horner: Honourable senators, I can appreciate what the honourable senator from Inkerman (Hon. Mr. Hugessen) has said about box cars owned by American railways being in the make-up of Canadian trains, but on the other hand, if we stop to think about this matter, surely it is an indictment of the motorists of Canada. Are they not able to discern obstructions in their road at nighttime? I would like to have some information as to the methods used in other countries to ascertain whether a person is capable of operating a motor vehicle safely. For instance, in Sweden, I understand, it is very difficult to secure a driver's licence. There an applicant is subjected to a thorough test which he must pass before he is allowed to take a motorcar on the road.

It does seem outrageous that a person in charge of a motor vehicle, perhaps loaded with passengers, would drive straight into the side of a moving train, or even a standing train. Surely a man who has proper control of his car, good eyesight and brakes that are working well, has little excuse for running into a train.

Hon. Mr. Roebuck: The problem exists only in bad weather.

Hon. Mr. Horner: Certain people in some provinces suffer from poor eyesight or are physically incapable of proper operation of a motorcar, yet they are issued licences year after year, and we hear of one accident after another.

There is something to be said for going to the expense of marking railway cars, but the railways are not always to blame for accidents at level crossings. I say the motorists themselves should exercise more care.

Hon. T. A. Crerar: Honourable senators, the vital and important part of this legislation, it seems to me, is the contribution it would make toward elimination of level crossings. This work has been going on now for a good many years. At the moment I have forgotten the number of level crossings in Canada, but the figure was given to a committee some years ago. The procedure has been to eliminate the most dangerous crossings first.

It is, of course, important to put reflector markings on freight cars so that they will show up at night, but we should not delude ourselves into thinking that if this is done it will result in absolute prevention of accidents at crossings. The human factor is ever present.

I recall many years ago when automobile traffic in Canada was but a fraction of what it is today and the use of the highways by trucks was largely unknown. On one occasion while travelling to Winnipeg with the then Chairman of the Board of Transport Commissioners—and, I may add, one of the ablest chairmen the board has had in its long history—we were discussing the matter of accidents. He told me it was remarkable the number of accidents that occurred in broad daylight by reason of motorists running into the side of moving trains. Clearly, such an accident is not the fault of the railway, although if there had been a grade separation at the point in question the danger would have been eliminated. But we sometimes overlook the important factor of the human equation in accidents. I am unable to explain why a man driving a motorcar on a straight road who sees a moving train would run into the side of it. But such accidents happen every year.

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I quite agree that the placing of reflectors on box cars would cause them to show up well in the light of the headlights of a motor vehicle, just as a highway sign will light up at night and stand out as a signal to motorists. But I am not under any delusion that the putting of reflectors on box cars is going to eliminate entirely the accidents that occur far too frequently. The important thing is the elimination of the crossings. The time may come, perhaps a good many years hence, when all crossings, or at any rate the more dangerous ones, will be replaced by overpasses or underpasses. This legislation, because it is definitely moving in that direction, is entitled to the support of the house.

Hon. Thomas Reid: Honourable senators, I regret that I was absent from the chamber during the earlier part of this discussion.

We have had for many years regulations covering flashing light signals to protect railway crossings. What the honourable senator from Churchill (Hon. Mr. Crerar) has just said is all too true, that the human element is at fault in a great many cases. But, as he added, the time may come when there will be no crossings. If traffic by airplane, buses and motor cars continues to grow, the railways may not operate in the future. However, at the moment they are with us, and we have to meet the dangers that exist.

My reason for rising is to explain to honourable senators a condition with respect to signals which I understand has existed for many years. Some time ago two men in Ottawa brought out a patent for a new railway crossing signal, which I thought had considerable merit. I am sure most honourable senators have noticed the type of warning the railways place at tunnels, which consists of a crossbar with cords hanging at a certain level from it. Those cords are placed there to warn a worker on top of a railway car who may have his back turned and not know that the train is approaching a tunnel. When he feels the cords he knows he is at the tunnel and he ducks down.

Hon. Mr. Roebuck: A low bridge.

Hon. Mr. Reid: Thank you. That is the correct expression, a low bridge. The warning gives him time to bend down and thus save his life.

The men to whom I refer took up this idea and perfected a model for use at level crossings, in the form of two arms extending over the highway at a certain height, with cords hanging down over the highway. When a car approached the crossing it would be faced with the cords, and even if the driver was not entirely sober he would realize that he was approaching a railway crossing and

should take care. These men came to me and asked if I would help them put their idea across. I said I would. However, I learned to my amazement that signal devices for use on railways are controlled exclusively by interests in the United States. It is a closed corporation, and I found that they would not even look at the new invention.

At some time in the future a committee might do well to look into this question and see if some other arrangement could be made. If improved signals were devised they might save many lives. True, they would not prevent all accidents, because men will always do foolish things. It is a well known fact that, strange as it may seem, motorcars have run into, not the front of a train, but the tail end of it, thinking it had passed by. I bring this information to the attention of honourable senators.

I thought I should mention to honourable senators that if this bill goes to committee I will ask something about the combine that controls the present signalling system of the railways. I learned in Ottawa a few years ago from the railway companies that there could be no change because the signals are under licence from certain companies in the United States. I place that before you honourable senators, for whatever it is worth.

Hon. Mr. Horner: The idea of the men you mention would be to leave those bars there permanently on either side of the highway?

Hon. Mr. Reid: Yes. If a man ran through them, neither he nor his car would be injured. However, the railways are not willing to look at some new type of signal while the present combine is in existence.

Hon. Mr. Vaillancourt: It has been said that the federal Government will pay 80 per cent of the cost and the railways 20 per cent. However, sometimes the provincial departments of highways are concerned in this matter. Does the honourable leader (Hon. Mr. Aseltine) think that under this legislation the federal Government can arrive at an agreement with the provinces and the railways?

Hon. Mr. Aseltine: I think this does not concern the railways alone.

Hon. Mr. Euler: I do not think the total cost of eliminating level crossings is paid for in the proportions that the Leader of the Government (Hon. Mr. Aseltine) suggested. I know that the municipalities involved have to pay a very substantial portion, and that is the reason for the delay in many of these matters.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Thorvaldson: As a matter of fact, the bill says that the federal Government shall pay an amount not to exceed 80 per cent of the cost, so in fact it may be less than 80 per cent.

Hon. Mr. Euler: It does not say who pays the rest.

Hon. Mr. Thorvaldson: I am assuming that the amounts paid are subject to negotiation between the railways, the Government and the municipality involved, because many of these highways over which there are level crossings are built, not by the provinces but by municipalities. I think municipalities are involved in a large number of these level crossing matters where there is negotiation as to the amount of money to be put up by each one of the parties concerned.

On motion of Hon. Mr. Vaillancourt, for Hon. Mr. Macdonald, debate adjourned.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP— DEBATE CONTINUED

The Senate resumed from Wednesday, June 8, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two Europeans trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. Norman P. Lambert: Honourable senators, in supporting the argument that has been presented to the Senate by my honourable colleague from Shelburne (Hon. Mr. Robertson) I am sure we all appreciate the contributions he has made to this subject of improved international trade relations. I thank him warmly for the repeated statements he has made during this session, and previous sessions, bearing on this subject.

I do not intend to stress or repeat the points he made in his address of a week ago. I do agree, though, with his repeated warnings

about the serious consequences to Canada of the impending threat of competition from those countries abroad which seem determined to organize themselves into closed trading groups.

Owing to developments in Paris and London since the honourable senator from Shelburne spoke here a week ago I shall have to modify somewhat our approach to this subject as contained in the first paragraph of the motion which assumes that the twenty-nation group of which he spoke will embrace the union of the so-called Inner Six and Outer Seven. The word that has come from London, and to which I shall refer later, reveals the fact that there does not seem to be much hope at present, at any rate, of any such union between the Inner Six and the Outer Seven resulting from the meeting in Paris.

However, my purpose in sharing in this discussion today is to give, if possible, a certain perspective to the course of international negotiations and agreements during these past twenty years revealing some of the high aspirations and much of the irony, which, since 1945, have characterized a gradual decline from a high level of idealism to one of rather halting performance. That decline seems at times to be almost turning gallant and devoted allies in the common cause of the last war into bitter and uncompromising rivals, and even enemies in the ruthless competition for the trade and commerce of the world. It is suggestive, really, of all that happened to destroy the aims and objects of the League of Nations after the First World War, and in this, I submit, we are all facing an arraignment and a challenge of which we should be fully conscious.

This is not a partisan matter. That might be, possibly, one good reason for associating the Senate with a positive effort to have this country exert its influence as definitely as possible in reviving the belief and conviction in the declarations which were given to the world at the beginning and at the end of the last war. I shall be as brief as I can in outlining some of the outstanding expressions of international policy with which the world has been made familiar during the past two decades, and on behalf of which its representative leaders have given united support.

I have here at hand the official documents and the texts of those main agreements, and if any honourable senator would like to have an exact reference I shall be pleased to give it to him; otherwise I shall limit this review to a summary of those texts. I might add that any of them are available at any time to honourable senators at the library of the Department of External Affairs.

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Firstly, I am sure most of us remember that historic meeting of the British Prime Minister, the Right Honourable Sir Winston Churchill, with the President of the United States, the late Franklin Roosevelt, off the shores of Newfoundland in August 1941. There the Atlantic Charter was drawn in eight clauses and given to the world over the signatures of those two great leaders. The fourth and fifth clauses of that document are important, and I shall quote them, as they are short and to the point.

Clause 4 reads:

> They (meaning their countries), will endeavour, with due respect for their existing obligations, to further the enjoyment by all States, great or small, victorious or vanquished, of access, on equal terms, to the trade and to the raw materials of the world, which are needed for their economic prosperity.

Clause 5 expressed:

> desire to bring about the fullest collaboration between all nations in the economic field with the object of securing, for all, improved labour standards, economic advancement and social security.

One month later at an inter-allied meeting in London the Governments of Belgium, Czechoslovakia, Greece, Luxembourg, the Netherlands, Norway, Poland, the U.S.S.R., and Yugoslavia, and representatives of General de Gaulle, leader of Free France, made known their adherence to the principles set forth in the Atlantic Charter.

The first clause of that joint declaration read that their common aim was:

> to secure that supplies of food, raw materials and articles of prime necessity should be made available for the post-war needs of the countries liberated from Nazi oppression.

Associated with the countries I have named here in connection with that London conference, which in effect provided for the reprovisioning of Europe after the war, were the Governments of the United Kingdom, Canada, New Zealand, Australia and South Africa.

My third reference is to this side of the Atlantic even before the United States formally entered the war. The President of the United States and the Prime Minister of Canada, in what became known as the Hyde Park Agreement, pledged their respective countries:

> to provide each other with defence articles which each country could best produce, and that production programs should be co-ordinated to this end.

Later an exchange of notes between Canada and the United States provided for the continuation of the principles of the Hyde Park Agreement into the post-war period, with special reference to the problem of reconversion of industry. Indeed, embodied in the written terms of the so-called lend-lease

agreements, which accompanied so much interchange of goods between Canada and the United States during the war period, was the clause providing for the continued free exchange of the products so affected after the end of the war.

Next came the formation of the United Nations Organization in 1945 and the writing of the United Nations Charter. One of the outstanding features of the Charter was the provision for the establishment of special agencies such as the I.T.O., the International Trading Organization. The purpose of that organization, as everyone knows, was to further a freer exchange of goods throughout the world.

Without attempting at this time to enumerate the several international conferences which were held under the auspices of I.T.O., and the persistent progress which was made towards a General Agreement on Tariffs and Trade, now known as GATT, it can be said that this agreement represented the culmination of all the efforts that had been made in this direction after the declaration contained in clause 4 of the Atlantic Charter.

Out of the United Nations meeting in New York in 1947 emerged the Marshall Plan, which was described at that time by the London *Economist* as an unprecedented example in the history of the world of practical idealism and imaginative creativeness. Under that plan some $23 billion of credit to be applied over a period of five years was extended to help those countries which had been devastated by operations of war, to enable them to rebuild their industries and bring new life to millions of stricken peoples. This represented what was generally recognized as a great pump-priming enterprise, apart from, but in furtherance of, the organized aims of GATT.

In his speech at Harvard University in June 1947 the Honourable George C. Marshall, then Secretary of State in the Government at Washington, in outlining his plan for the relief of Europe—prior to its being placed before the United Nations Council—stipulated that the application of it must depend upon the initiative of Europe itself. The program should be a joint one, agreed to by a number, if not all, of the European nations. That initiative was taken by the Right Honourable Ernest Bevin, Foreign Secretary of the United Kingdom, and M. Georges Bidault, the Foreign Minister of France, which led to the establishment of an administrative organization to handle the Marshall Plan for European economic co-operation known as O.E.E.C.

By the time one has followed the developments over ten to twenty years it is almost necessary to attach to one's study a key list to interpret the capital letter initials of the names used to describe these different organizations. If I happen, therefore, to use one or two of these designations in passing I hope I may be pardoned if I do not also at the same time explain the full significance of these terms.

It is out of this European administrative organization, O.E.E.C., that the present movement toward co-operative reciprocal trade amongst twenty nations in the Atlantic area, including Canada and the United States, was recently started. We are also seeing today the results of the rebuilding that has been done through the O.E.E.C. in the years that have passed since the introduction of the Marshall Plan to Europe. The increasing volume of exports of manufactured goods to the shores of North and South America during the past five years from countries like Italy, France and West Germany tells its own story. It is this kind of result, incidentally, which tempts some people so often to declaim about the futility of war and to conclude that the victor in the long run becomes the loser in the ruthless game of commerce and trade. At any rate, the economic and financial recovery of these countries has been so great that they are practically independent of further financial aid from America at this time.

Finally, there is NATO, which was formed in 1949, and in which Canada took a leading formative part. The fateful second Article of that Treaty "sought to eliminate conflict over international economic policies, and to encourage economic collaboration" amongst the signing nations in the North Atlantic Organization. Within the past year, NATO, as a solvent of international economic problems and a promoter of trade, has pretty well discarded its responsibilities under Article II. NATO as a military defence shield to the free world still exists, but the incompatibility of military operations and strategy, with the more peaceful objectives of international trade, seems to have been effectively and lamentably demonstrated. Possibly there has been a need for closer co-ordination of effort between NATO and O.E.E.C., which had charge of the administration of the Marshall Plan. At any rate, the world is now to be presented with a new trading arrangement identified with the so-called Committee of Twenty, to which I have referred, and which has been described by the honourable senator from Shelburne (Hon. Mr. Robertson). Intervening the other day, our own Prime Minister called for a reorganization of NATO, presumably for defence purposes. Dr. Spaak, of Belgium, is due to come to Canada shortly to discuss the NATO situation with our Prime Minister. One does not need to stress further

the object of this organized group of twenty nations representing practically all members of the Atlantic Community and including those which are marked as isolationist blocs in Western Europe. Suffice it to say that this would appear to be a final, broad co-operative effort to give fruition to those hopes and aspirations which were expressed by Churchill and Roosevelt in the Atlantic Charter, and repeated in the Charter of the United Nations at the end of the war. It has still to prove its existence and establish a working organization. Problems of finance and exchange have still to be solved and explained, and a sound basis of union between the blocs of Six and of Seven has still to be defined.

During the last days of the past week we had intimation in the public press that Britain had decided to join the European Common Market group of six countries and to attempt a consolidation with the group of Seven known as the European Free Trade Association. This turned out to be wrong, as the events of a few days later proved. At the same time as the publication of this so-called news item, Canada had its representative attending a meeting in Paris of the Committee of Twenty to carry forward its plans for a scheme of reciprocal trade extending over a period of five years. The latest word of enlightenment upon this whole situation comes in a report from Paris in the London *Times*, which indicates that the bloc of Six is not disposed to unite with Britain and the other members of the group of Seven. The exact statement, dated from Paris on June 10 in this report, is as follows:

> The twenty-nation trade committee today gave its full approval to yesterday's agreement to set up a study group to examine the short-term difficulties arising from the tariff changes of the Six and the Seven. The group will meet in Paris on about July 7 and is expected to report back to the trade committee by about the middle of September. The full committee will then meet again before the end of September.

That was the final conclusion of a meeting which had been assembled on the previous day, and from which this report was issued:

> The six members of the Common Market made it perfectly clear at the meeting of the twenty-nation trade committee here today that they are not yet prepared to face any long-term solution of the Six and Seven problem in Europe. This, therefore, has dashed all the immediate hopes of any form of association in which Britain and the other members of the Seven might enter into a larger European trading group. The Six, in fact, have not responded, as was hoped in London to the terms of the Seven's offer to examine any way in which the Seven might join the customs union of the Six.

A little further on the article continues:

> For the moment any idea of accommodation between the Six and Seven must be shelved and the British Government's recent decision to adopt a far more flexible policy towards the Six (even to the extent of considering entering the customs union of the Six) has not met with any ready response. The French view, it is obvious, in spite of President de Gaulle's recent speech, remains unchanged.

Then the dispatch concludes that these Geneva talks are likely to continue far into 1961.

In the light of these considerations, surely the time has come when the Government of Canada should state a definite position in relation to these matters. What, one might add, will be the consequences of failure this time, if the proposals of reciprocal trading amongst the member nations in the proposed group of Twenty fall by the wayside? And as indicated by the results of the recent meeting in Paris there is no disposition on the part of the group of Six to have to do with the Outer group of Seven or any other nation. As I endeavoured to suggest in this chamber a year or so ago, in connection with another discussion introduced by my honourable colleague, Canada may have to find temporary refuge at least in seeking a western hemisphere bloc of her own, in which the United States and countries of South America would be associated. At the present time 75 per cent of our total trade is done in this area. Ultimately, I believe, the force of resistance of these different blocs to each other will effect a breaking down of such international barriers and a return to a larger measure of world trade. Meanwhile, the trend today partly suggests a repetition of the history of the mercantilist system of the fifteenth and sixteenth centuries when Mediterranean countries, and later the Netherlands, controlled trade and much of the world's wealth. Fortunately for the future progress of the world, that system ultimately yielded before the enlightened teachings of Adam Smith, and the practical application of his doctrine of international trade by the British people under the leadership of Sir Robert Peel and Cobden and Bright. I think that historical period is worth remembering at this time.

In conclusion, one might suggest that the role of the governments of democratic countries would be expected to reflect the undisputed collective desire of their respective peoples for a more peaceful and a more co-operative existence in the world. Can anyone seriously dispute the claim that the rank and file of people anywhere look forward hopefully to a settlement of international conflict and a resumption of normal human relations, uninterrupted by threats of atomic warfare? If it were possible to register even approximately by referendum the will of the people who vote to elect governments throughout the world, regarding this issue

of peace and war either hot or cold, can anyone doubt the overwhelming result in favour of adopting the simple principles of a good neighbourhood? Political leaders seem to yield to measures of local expediency and nationalistic demands rather than to the basic obligations of solemn world engagements. The power of special political interests at home still seems to be paramount; and at the present time those countries which entered into the membership of the United Nations with the gleam of a new free world on the horizon seem to be getting, as the years go by, farther away than ever from their united goal.

As I have indicated, from latest reports from Paris, the future of the group of Twenty is fraught with increasing uncertainty. But from the written records of those who have been scorched by fires of disappointment in their efforts on behalf of great causes in the past, and still have kept the faith, it is possible to find declarations of encouragement and hope in the face of threatened adversity. One of these is from the pen of the late Colonel Edward House, the unselfish and devoted author of the League of Nations Covenant, which was championed so valiantly by President Woodrow Wilson years ago. Colonel House died in 1938, but he lived long enough to chronicle words spoken and things seen during the Paris Conference of 1919. At the end of his memoirs he wrote:

> As I look at the wild world with which we are confronted today, I still find comfort in some words of Thomas Carlyle: "Nothing that was worthy in the past departs; no truth or goodness realized by man ever dies, or can die; but it is all still here, and lives and works through endless changes."

Hon. Jean-François Pouliot: Honourable senators, trade is indeed a matter of great concern to all of us, and the honourable sponsor of this discussion (Hon. Mr. Robertson) and all those who have spoken on the matter deserve our commendation, but I hope that I will be permitted to disagree with them entirely, and I will qualify my point of view.

The purpose of the motion is to express the desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation Group. That would mean a multilateral agreement, and a multilateral agreement in trade cannot be profitable to a small country like Canada.

I remember the time when the then Deputy Minister of Trade and Commerce was advocating multilateral agreements, and it gave him the importance of diplomacy and he finally finished his career as an ambassador. I will not say that he had that end in view when he advocated multilateral agreements. He was not the one who discovered them. They had come from the defunct League of Nations, which has been succeeded by the United Nations.

I have visited the United Nations building at my own expense, honourable senators, and I was the only one of the parliamentarians who paid for his trip to New York to visit that huge building and see the reclining chairs, the comfortable chairs, the cheap drinks, etc., and the people who were walking around like illustrious Russian dancers. I was not impressed at all. I saw that the building was full of people who were not the accredited representatives of any particular nation—Canada, for one, had all its representatives in the office of the Consul General in New York—acting as if they were the direct descendants and legitimate heirs of all the bureaucrats of the defunct League of Nations. They try to make themselves helpful and they make varied suggestions, in order to guild their blazon and their shield, and these multilateral agreements are their fanciest and most cherished schemes.

How is it possible for a country like Canada to be side by side with the United States, with England, with France, with any of the big countries of the world? There are only two groups of nations with whom we can deal separately. They are the Inner Six and the Outer Seven, which are mentioned in this particular motion.

I understand that if Canada wants to trade with the Inner Six it is very easy to start the preliminaries. Right here in Ottawa are the ambassadors, who are mostly trade agents, and it is very easy for the Minister of Trade and Commerce, and for his officials, to get in touch with every one of the foreign representatives of the Inner Six nations. Then it would be possible for Canada to enter into trade agreements, profitable trade agreements for both sides, for they cannot be profitable for one side only.

I am all for bilateral trade, and when some nations group themselves together to abolish all trade barriers it is evident that we must deal with them separately—that is, with the group separately. I mean we must deal separately with the Inner Six and separately with the Outer Seven. That is the way to achieve results.

That is a point of view which I have thought of for a long time and which I am glad to have the opportunity to express. I have in my files upstairs a very good report of a speech made on trade at the beginning of the year by no less renowned a gentleman than Mr. Crump, President of the Canadian Pacific Railway, who is surely well informed on the subject. He warned us about the future. So did another gentleman who is well known in Canada, Mr. Ashforth, President of the

Toronto-Dominion Bank. These men are very much concerned about what will ultimately happen to our trade.

If Canada makes an agreement with the Inner Six or the Outer Seven, Great Britain and the United States will have nothing to do with the dealings of our country with those two groups. It is our own business, the business of Canada. I warn the Government to be very careful about the agreements it signs, which have to receive the sanction of the big powers. It is a matter of great concern to us.

And what about South America? We have trade possibilities there. We can go there. Brazil is developing very fast, as are other South American countries. Will we have to get the permission of Great Britain or the United States or any other country to deal with them? I remember the time when Mr. Mackenzie King refused—it was in the month of August of 1940 or 1941—to deal with them because Canada was not a republic. Imagine the silliness of the argument, that Canada, not being a republic, could not deal with South American republics or join them in a Pan-American union. There was an argument made at that time. I remember that another member of Parliament, an English-speaking member from Ontario, and I protested the contention. It was a long time ago, some 20 years ago, that we advocated trade with South America, but nothing was done about it. We have our ambassadors there, but what are they doing? We had one ambassador there who wasn't worth his shirt. He was not qualified as an ambassador, but he was sent there. The least we can ask of our ambassadors is that they help us to trade. I am sure all honourable senators would agree with that. They cannot help us much with regard to defence, international peace and such things, but they can help us with regard to trade, and to be successful they must have the backing of the Government.

Now, it is very easy to recite what the late President Franklin D. Roosevelt said, but he is gone; or to recite what President Woodrow Wilson said, but he too is gone. They all are gone. We can't live with the dead. We must live with our contemporaries. I would not depreciate the memories of those great men, but what is the use of mentioning what they said at conferences ten, twenty, thirty years ago? The world is changing, and we must be of our own times. We must have enough imagination to find a plan to improve conditions in Canada and to prevent disaster.

Naturally, everybody knows, as the honourable senator from Ottawa (Hon. Mr. Lambert) so appropriately said, that the United States, Canada and other countries of the world helped those countries which were destroyed by war, in order to make them self-supporting. They are now self-supporting, and they do not need us as they once did. And who expects any gratefulness for what has been done to help those countries to recover? No one! The only thing they will listen to will be statements that it is to their own interest to trade, not with the United States, not with England, but with Canada. Instructions to this effect should be given to every representative of Canada abroad, from the ambassador down to the lowest clerk. They should be instructed to promote and develop the interests of Canada, just as the Russians do. And what merchant navy do the Russians have? Apparently it is not so big, but that country succeeds in trading with the whole world. It is not because it is a communistic nation that we cannot follow its example. It has given us a good example with regard to trade, and we have no reason not to follow it.

I have very deep convictions about this, and I do not intend to depreciate the representatives of Canada abroad. There may be good men among them now, although there have been men of a different kind. There are now good men who try to promote the trade of Canada.

One thing I must say to the credit of Mr. King is that as soon as he returned to power in 1935 he made use of all the work that had been done to prepare a treaty with the United States, and to have it signed by the President of that country and by himself. I thought it was quite an improvisation, but he explained to me that the matter had been worked upon for a long time, and therefore he made the great announcement that Canada was willing to trade with the United States and any other nation of the world, that Canada was an independent trading nation. When people speak of free trade it is important to make the distinction that free trade is not only abolition of the obstacles of tariffs, though it has for the most part been understood as that until now.

At this point I want to pay homage to my colleague the honourable senator from Waterloo (Hon. Mr. Euler), who was Minister of Trade and Commerce when that treaty was signed with the United States. It was the right thing to do. It did create a commotion to the benefit of Canada, and that was a good point.

To return to what I was saying about freedom of trade—by having free trade I mean being free to trade with any other country, with no obstacles in the way. At the present time we have an obstacle, and that is the agreement that has been signed

with the United States and which prevents our trading with a country behind the Iron Curtain.

I have quoted great names; I will quote another one. It will not be flattery, because this man is dead, but he survives in our memory. He was one of the greatest bankers of Canada. I refer to Mr. James Muir, who was President and Chairman of the largest Canadian bank, the Royal Bank of Canada. He took the trouble to go to Communist China with one of his aides, and he made a report, with illustrations. His findings were contained in the report of the Royal Bank of Canada, and in them he showed the possibilities of trade where nobody had gone. Naturally, Great Britain is trading with Hong Kong, but Communist China wanted to trade with Canada and it could not do so. The other day at a committee of the Senate I asked the Secretary of State for External Affairs how it was that Canada was not free to trade with any other nation of the world on account of an agreement that had been signed with the United States. It was slavery in trade. It was, to use an expression in the motion, trade obstruction. We are not free.

We have an open market in China. At least, we had it; perhaps we have lost it now. I do not know, because I am not familiar with the present situation. But we had great openings in China, and we could not do anything, because it would have displeased the United States. Canada cannot claim to be a great country when it is the vassal of the United States in a matter as important as trade.

Let us see, honourable colleagues, what openings there would be for us if the largest populated country in the world were trading with Canada at a time when the United States was unwilling to go there. We had an open market, but because we had signed an agreement of some kind, and because that agreement still exists, we cannot deal with them. As the emperor Vespasian said, "Money has no odour." Naturally, the Canadian people would benefit largely from the expansion and progress of our trade in any country of the world. I must pay a particular tribute to the memory of Mr. Muir who was an independent thinker, and who had very great experience in banking and trade, and who took the trouble to show the way to the Canadian Government. But, now, as lawyers say in court, with all due deference and respect, I find this motion futile. It is futile because we can go nowhere. It would be a journey to nowhere to try to accomplish something in the matter of improving our trade with the assistance of twenty other competing nations. This is what I wanted to tell you, honourable colleagues.

Perhaps it is still too early to speak like this, but the years to come will prove to you that what I am saying on this 15th day of June 1960 is not without solid foundation. You have too much experience not to realize it, but your minds may be blurred by the propaganda that has been made for the United Nations, for NATO, etc. You might say, as Asquith did: "Well, we must wait and see. Times will be better." Times will be better if you make them better. It is upon you that the country relies, and the Senate can do more than the House of Commons in warning the Government against all dangers in trade. Very often farmers from the west ask for more subsidies for their wheat, for assistance in transportation, etc. Why? It is because they have quantities of unsold wheat. We have quantities of unsold goods that could be sold in all countries of the world with great benefit to Canada and to the Canadian people.

Having said that, I will not keep you any longer. That is enough for now, but I will have other opportunities of bringing this to your attention, because I respect you and I rely on you, for the good of the country. You are independent. You are all independent. You are wise men and women of great experience and great knowledge, and I am sure that if you unite in deciding that Canada should make her own decisions with regard to trade, should make her own approach individually to each one of the important groups that have been mentioned and each one of the other nations, then you will have the satisfaction of having accomplished your duty, and you will have the joy of seeing the good results of your work.

On the other hand, to conclude—I do not often conclude, but I will; as a rule I leave it to your intelligence, honourable senators, for you to draw your own conclusions—I will mention the alternative. If you do not agree with the ideas I have submitted to you in all deference, then the only thing to do will be to move to reduce all the expenses of Canadian representation abroad to one dollar.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Vaillancourt: Before the house adjourns can the honourable Leader of the Government (Hon. Mr. Aseltine) tell me if he expects to proceed tomorrow with the five Government bills listed on the Order Paper?

Hon. Mr. Aseltine: I was just about to make a statement concerning the business of the Senate for tomorrow. Honourable senators will

see from a perusal of the Orders of the Day for Thursday, June 16 that the Estate Tax Bill, the bill with respect to capital expenditures of the Canadian National Railways System, the Excise Tax Bill, the Customs Tariff Bill, and the International Boundary Commission Bill are set down for second reading. These are all Government bills, and I would like to have them placed at the head of tomorrow's Order Paper so that they can be proceeded with as expeditiously as possible. I propose to proceed tomorrow with the second reading of the Estate Tax Bill, the Canadian National Railways Financing and Guarantee Bill and, if there is time, the International Boundary Commission Bill. One reason why I am anxious to get on with the last-named bill is that a witness whom we want to appear in committee will be unavailable after the end of next week because he will be leaving Canada. I understand he intends to show in committee a film to illustrate how the boundary markings are set up. I think this would be very interesting to honourable senators, and therefore I should like to have this bill go to committee not later than Thursday next.

Honourable senators, I would ask that the Government bills be placed at the head of the Orders of the Day for tomorrow.

Some hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 16, 1960

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

Prayers.

WAR VETERANS ALLOWANCE BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-71, to amend the War Veterans Allowance Act, 1952.

Bill read first time.

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

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Wednesday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Exchange of correspondence between the Government of Canada and the Provincial Governments, including Resolutions passed by the Quebec Legislative Council and Legislative Assembly, concerning the amendment of section 99 of The British North America Act, 1867. (English and French texts).

BRITISH NORTH AMERICA ACT

FEDERAL-PROVINCIAL CORRESPONDENCE CONCERNING PROPOSED AMENDMENT RE TENURE OF OFFICE OF JUDGES TO BE PRINTED IN MINUTES

Hon. W. M. Aseltine moved, with leave of the Senate:

That the exchange of correspondence between the Government of Canada and the provincial Governments concerning the amendment of section 99 of the British North America Act, 1867, tabled this day, be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

He said: Honourable senators, the purpose of this motion is to have those documents available next week when the motion for amendment of the British North America Act will be dealt with.

Motion agreed to.

OLD AGE SECURITY BILL

REPORT OF COMMITTEE

Hon. Arthur L. Beaubien, for Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-63, to amend the Old Age Security Act, and had directed him to report the same to the Senate without any amendment.

Report adopted.

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

Hon. Olive L. Irvine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CUSTOMS TARIFF

RATES OF DUTIES TO BE PRINTED IN MINUTES

Hon. W. M. Aseltine moved, with leave of the Senate:

That a table setting out the rates of duties provided for in Bill C-74, intituled "An Act to amend the Customs Tariff", and the corresponding rates in effect prior to the 1960 Budget, be printed as an appendix to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

Hon. John J. Connolly: Honourable senators, before the motion is adopted I should like to say that this is a very excellent step and I feel we are all indebted to the honourable Leader of the Government (Hon. Mr. Aseltine) for having this material printed as an appendix to the *Minutes of the Proceedings of the Senate*. It means that when we come to consider the amendments to the Customs Tariff Act we shall know what the situation was before the proposed amendments. In other sessions we have always complained that we did not know just what the changes were that we were studying. This is a big step forward and I hope it is the start of a practice which will be followed in the future.

Motion agreed to.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, the 21st day of June, 1960, at 8 o'clock in the evening.

Motion agreed to.

ESTATE TAX BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Gunnar S. Thorvaldson moved the second reading of Bill C-65, to amend the Estate Tax Act.

He said: Honourable senators, I am sure that we will all recall the passage of the Estate Tax Act at the session two years ago, particularly because it had a very thorough

and, I deem, searching consideration by this body, and by the Banking and Commerce Committee, at that time. Consequently, I am happy to be able to say now that some of the amendments involved in the amending bill I am now presenting were adopted in this house at that time and strongly urged upon the Government, but were not accepted then. I refer particularly to one section of the act which I shall come to later on.

The present amending bill, namely, Bill C-65, is a result of the experience in the operation of the statute since its coming into force on January 1, 1959. Several of the amendments are the direct result of recommendations made to the Government, or more particularly, perhaps, to the Treasury, by responsible organizations such as the Canadian Bar Association and other bodies.

I propose to deal with the bill as briefly and succinctly as possible. I intend to propose that it be referred to the Standing Committee on Banking and Commerce for detailed examination, for I suggest that the committee is perhaps a more appropriate forum for such detailed examination than this house. I say that because of the very technical nature of the subject-matter in bills of this kind. We shall have present in committee the officers of the department concerned, who will give a full explanation of the various sections of the bill. However, as indicated, I will now briefly examine the sections of the bill and try to explain them.

The first section deals with the proceeds of insurance policies, and implements one of the paragraphs of the Estate Tax resolutions presented in the other place, which reads as follows:

> That there be included in computing the aggregate net value of the property passing on death any amount payable under a policy of insurance effected on the life of the deceased for the benefit of the family of the deceased, where such policy, immediately prior to the death, was owned by the employer of the deceased.

I am sure you will all recall that some sections of the act deal quite fully with the question of proceeds of insurance policies but, as so often happens, there was apparently a loophole in the act with regard to a certain type of ownership of a policy of insurance. That loophole is being filled by section 1.

Hon. Mr. Brunt: Does it increase or decrease the tax?

Hon. Mr. Thorvaldson: I am just coming to that.

It appears that under the present act if a policy of insurance is technically owned by a person's employer, then even though the proceeds of the policy upon death are payable to a person's estate or family, such payments would be exempt from the estate tax.

I think it is clear that here is a loophole in the act which, as I said a moment ago, requires to be filled. In other words, under the act there is obviously great scope for persons making appropriate arrangements with their employers which would deprive the treasury of very considerable revenue to which it is fairly entitled. So much for Section 1.

Section 2 is perhaps the most complicated and technical amendment in the bill, relating as it does to the method of determining the value of the consideration for property disposed of by a deceased during his lifetime in consideration of an annuity. As the section deals with such a technical subject I am going to suggest that such detailed consideration of it as may be required be made in committee rather than here. I might add that the amendment remedies what is deemed to be a serious flaw in the present act. I am referring here to subsection 1 of Section 2.

I come now to subsection 2 of section 2. This is a relieving provision. Under the original section there apparently is some possibility that under certain conditions property passing to a beneficiary under a will might be liable to be assessed for duty twice. The present section makes sure that there could not be double taxation of that kind.

Hon. Mr. Vaillancourt: Good.

Hon. Mr. Thorvaldson: In other words, the amendment is for the purpose of relief against such a contingency.

Subsection 3 of section 2 is merely for the purpose of making subsections 1 and 2 applicable in each case from the commencement of operation of the act, which was, as honourable senators know, January 1, 1959.

Hon. Mr. Connolly (Ottawa West): In that respect it is retrospective?

Hon. Mr. Thorvaldson: Yes. These are really curative sections and they are retrospective to January 1, 1959.

Section 3 is also a relieving provision and results from representations made in a brief which was presented to the minister some time ago by the Canadian Bar Association.

In regard to section 4, subsection 1, this amendment has reference to the value of a gift made by a testator and concerns the question whether a gift is an absolute one or not. Some gifts, whether contained in a will or made during a person's lifetime by an appropriate document, may not appear absolute but are in fact so. That is, the gift may never reach the intended donee because of the fact that it has been used up by the beneficiary in accordance with rights conferred in the will or document. The amendment makes it possible for a defeasible gift to be made indefeasible within a year

of death, in which event it will become allowable for exemption in the usual way. That is applicable to cases where the gift eventually goes to a charitable organization or would be otherwise exempt from tax by reason of the nature of the donee.

Furthermore, the amendment defines more precisely what constitutes a charitable organization in Canada. Apparently there has been some doubt whether gifts made to, say, a foundation, which does not itself engage in charitable activities are exempt from estate tax. For example, it is suggested that there is some doubt as to whether a gift made to the Atkinson Foundation, which in turn makes gifts to charities but does not itself engage in charitable work, would be exempt from estate tax. This section clears up that point and makes certain that gifts to such a donee do not attract estate tax.

I come now to section 5. Honourable senators may recall that when the act was in committee there was considerable criticism because of the fact that the appropriate section regarding the aggregate taxable value of property passing on death did not specifically indicate that any estate not exceeding $50,000 was completely and unequivocally exempt from tax. I am sure honourable senators who were in committee during those hearings will recall that one could only discover this fact by reading several subsections, and that it was felt the provision was not specific enough.

Hon. Mr. Aseltine: Will that provision be made to apply as of January 1, 1959?

Hon. Mr. Thorvaldson: There is no change in the law. This section clarifies and nails down in concise language the provisions in regard to the $50,000 exemption. I repeat, there is no change in the law, simply a clarification of it in respect of that particular feature.

Section 6 is an amendment in respect of situs of property. I think that any further explanation in that regard might more appropriately be made in committee. As honourable senators are aware, problems relating to situs are always of a technical character.

Then, section 7. The present act provides a limit of four years after which the minister may not make a reassessment of an estate, except of course in the case of misrepresentation or fraud. Under the proposed amendment the taxpayer may waive this four-year limit in appropriate circumstances. In other words, it provides a method by which the taxpayer may request a reassessment of the estate to be made after the period of four years. This is obviously a relieving section in favour of the taxpayer.

Hon. Mr. Brunt: Would my honourable friend permit a question? Why would a taxpayer request an estate to be opened up after four years, unless possibly he was guilty of fraud and wanted to clear his conscience or avoid some penalty?

Hon. Mr. Thorvaldson: I think that will appear clear when I refer to the next section, which is similar in content.

I come now to section 8, to which I referred at the outset as being the part of the act to which this house took strenuous objection at the time of the passage of the original act. I recall that the objection to the law, as then stated, was led especially by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard). I am happy to say that the views of the honourable senator and of those who supported him are to a large extent being adopted by this amendment. So section 8 is a relieving section. It was enacted as a result of additional representations made recently by the Canadian Bar Association and, I believe, by other bodies. It is mainly applicable in case of annuities or similar interests which at the time of the original assessment could only be valued according to tables of present values of annuities, and by taking into account the facts relevant at the date of death of the deceased. The revaluation will be permitted in cases where within four years of death an event occurs which makes possible a revaluation in the light of changed conditions. I think perhaps this will effectively answer the question asked by the honourable senator from Hanover (Hon. Mr. Brunt). Changed conditions do occur, and as a result of such changing conditions in some cases the taxpayer may ask for a reassessment.

Section 9 is a procedural section dealing with the subject-matter of section 8.

Hon. Mr. McDonald: Is this amendment not the opposite to section 7 of the bill, which would allow a four-year limit? The explanatory note to section 9 reads:

> This new subsection makes it clear that the minister may make a reassessment after receiving a notice of objection from the taxpayer even though four years have passed ...

Hon. Mr. Thorvaldson: That is correct. I said section 9 was procedural, because I think it is intended to be remedial right back to January 1, 1959, when the act came into force.

Hon. Mr. McDonald: In any event, we can consider the matter when the bill is in committee.

Hon. Mr. Thorvaldson: Yes, it can be further considered in committee.

Section 10 is an amendment which also deals with rules for determining situs of certain property. Here again, I think there is little purpose in going into it more extensively at this time.

Section 11 also is a relieving section. As provided in the act a seized property, that is a property seized for non-payment of duty, had to be sold within 10 days of seizure. Under the amendment this period may be extended by the minister to 30 days, and I think provision is made to the effect that the sale is not mandatory in all cases.

Section 12 is largely procedural; that is to say, it does not affect the question of tax but deals only with the powers of the minister in regard to giving consent to the transfer of certain kinds of property by certain transferors, and, in particular, to the transfer of property in which the deceased did not have a beneficial interest at the time of his death. It also authorizes all insurances which do not exceed $900 to be paid over by the insurance company to the beneficiary thereof without either consent or notice to the minister. It is true that under the present provisions consent of the minister is not required for insurances up to certain amounts; but, apparently, in regard to the question of notice, there was a tremendous amount of paper work involved both by the department and the insurance companies, particularly in regard to small industrial insurance policies. At the time of payment of these small policies notice had to be given to the minister in each instance, and apparently that became quite a nuisance. Consequently, this section alleviates in that regard.

Section 13 deals with the Canada Council. Section 21 of the Canada Council Act specifically makes the Canada Council a charitable organization for the purposes of the former Dominion Succession Duty Act. Instead of amending the Canada Council Act, the Estate Tax Act is amended to prescribe that the Canada Council is a charitable organization under the act.

Honourable senators, apart from a few substantive amendments which affect the matter of taxation, this bill to a large extent tidies up certain sections which, during the last year and a half, have been found to require amendment, mainly to make the act more workable. I trust that this explanation has been of some value to honourable senators, but, as I say, further detailed explanation of the bill can no doubt be made in committee.

Hon. John G. Higgins: May I ask one question? Perhaps the information I desire will be available in committee, but I think we ought to be able to obtain it here. Does clause 1 mean that where the proceeds of an insurance policy, in whole or in part, are payable to the estate of a deceased, the tax has to be paid on the portion which goes to the estate, but if the proceeds go to an employer and do not form part of the estate there is no liability for tax?

Hon. Mr. Thorvaldson: The position in that respect is this, that where the technical ownership of a policy of insurance is in an employer, then although the proceeds of the policy are paid to the estate, or to the widow, say, of a deceased, those proceeds, under the present act, do not attract estate tax. Honourable senators will see that that opens up quite a loophole. I could be a member of a company which I do not control, and be employed by that company, and the company might effect a large amount of insurance on my life in such circumstances that it owned the policy, yet on my demise the proceeds of that policy would go to my family and not attract tax. I think it is obvious that such a condition is unsatisfactory and improper, and should be remedied. Honourable senators will recall that there is a great deal of verbiage in the act in regard to policies of insurance which are effected and owned by a company which a person might control. As I said at the outset, there was a loophole in the act with respect to these particular circumstances that I have related.

Hon. John J. Connolly (Ottawa West): Honourable senators, I am sure we are greatly indebted to the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) for the very careful analysis which he has made of this technical piece of legislation. If I may say so, personally, I feel that the approach he has made to this subject-matter is somewhat more objective than the statement he made to the press on June 8, and I think, perhaps, it carries a greater measure of approval than what he said on that other occasion!

Hon. Mr. Brunt: The other was a good statement, though.

Hon. Mr. Connolly (Ottawa West): Yes. As he has said, this act is not a stranger to the members of this chamber, because this chamber considered the act very thoroughly two years ago. I am happy to see that one of the seven amendments proposed here at that time, but which was not accepted in the other place, has now been adopted by the Government, not in this bill but in a provision in the Income Tax Bill which will come to us later. That is the amendment which purported to avoid double taxation in connection with a widow's interest in an annuity—I think that is, perhaps, the easiest way of describing it.

We do not like to seem to be patting ourselves on the back, or taking a bow in our own house, but I think that that proposal made at that time was a valid proposal, and I am very happy, indeed, to see that it has been adopted.

As the honourable senator who explained the bill has said, these amendments, generally speaking, are remedial. They fill gaps. They do make some changes in the incidence of tax, perhaps, but frankly I feel that these changes, which are contained principally in clauses 1 and 2, cover situations which Parliament and, I think, the people of Canada, want to see covered by a taxing statute of this kind.

I hasten to say, of course, that with all the verbiage in the act, it is one of those pieces of legislation which delight the lawyers and drive most other people to distraction. I heard a story the other day about a member of this chamber who had been listening too long, as he thought, to constitutional arguments. He happened to be a member of the medical profession, and he said to one of our colleagues: "Some day I am going to collect all the medical terms containing five or six syllables I possibly can, and I am going to put them into a speech, and I am going to go into the chamber and make that speech simply for the purpose of confounding the lawyers." I hope he does not do that, but I am afraid that we lawyers sometimes carry our ideas pretty far.

As the honourable sponsor of the bill has also said, many of the amendments embodied in this bill were suggested by outside bodies, particularly the Canadian Bar Association. In the current issue of the *Canadian Bar Journal,* which appeared today, there is reproduced the brief presented quite recently to the Government in respect of this act. I did notice upon reading that article that a good many of the proposals made by the Canadian Bar Association in its brief have been adopted here.

I do not propose to deal with many of the clauses of the bill. It is rather inappropriate to do that in this chamber, and I think that can be done better in committee. Nevertheless, there are some points I would like to raise, and perhaps it might help if I raised them now in anticipation of the committee's studying this bill.

Clause 12 of the bill, as the sponsor said, permits transfers of certain assets after death without estate tax releases being provided where the property, in this case an insurance policy, does not exceed the sum of $900 in value. This is a minor point but I think in practice, at least in Ontario, a bank account can be transferred or dealt with without a release if it is not over $1,000. In other cases I think assets to the value of $1,500 can be dealt with without release. It may be that $900 is a very appropriate figure for an insurance policy. I wonder why that figure was chosen, because it is different from the normal run-of-the-mill thing you find in connection with estates.

Hon. Mr. Thorvaldson: Might I comment here that the present act does contain authority for a trustee or an insurance company to pay out a policy up to, I believe, $1,500, but in each case the trustee or the insurance company is required to report such payment to the minister. The only difference now in regard to these policies with a limit of $900 is that there is no requirement to report to the minister. I mentioned there had been a tremendous amount of paper work involved in these reports, and that will be eliminated now. I believe the reason for the adoption of the figure of $900 is that it includes, generally speaking, the maximum amount of most of these industrial policies that my honourable friend from Ottawa West (Hon. Mr. Connolly) knows about.

Hon. Mr. Connolly (Ottawa West): Thank you. I thought there would be an explanation of that kind, but I think in the case of bank accounts, when the banks do pay out without a release within the prescribed time, they do not have to make a report to, in this case, the provincial succession duty officer. However, it is a very minor point.

I should like to say something about clause 8 of the bill. This provides for a reassessment in the event of death or other change in the marital status of an annuitant within four years of the death of the deceased. As the honourable gentleman from Winnipeg South (Hon. Mr. Thorvaldson) explained, when this legislation was considered by our committee two years ago we did question, in a general way, the wisdom of taking a valuation at the date of death as the final valuation for the assets in the estate. At that time we had quite a discussion on the point as to whether or not some leeway should be allowed, and that the executor should be permitted to value assets during a period of time—say, for six months—after death, rather than be committed to a valuation as at the date of death. Part of the reasoning which impelled this suggestion, was as follows: It has happened that a person has died at a certain date while holding many securities and, perhaps due to a serious decline in the market, the value of the securities has been greatly diminished very soon after death. Yet the duty has had to be paid on

the basis of the higher valuation because the market was at a high level on the day of death.

The department, for reasons of its own, resisted the idea of giving an executor a latitude and allowing him to value these assets at some time of his choice between the date of death and six months or a year later. The principle of this argument has now been recognized in clause 8 of this bill in respect of annuities. This is a relieving clause and I commend the Government and the administration for having done this. I would hope that with further experience additional consideration might be given to the proposals which were made by the Senate committee in respect of the broader field. Perhaps in another session the honourable gentleman from Winnipeg South will come and tell us that another idea urged by members of this chamber has been accepted.

Hon. Mr. Brunt: I believe an amendment was actually placed before the committee last year to the effect that executors of an estate be allowed to value on any date they chose within six months of the death of the testator, but the amendment was defeated in committee.

Hon. Mr. Connolly (Ottawa West): It just shows that we had the courage of our convictions and we proposed an amendment.

I should like to say a few words about clause 4(2) of the bill, which I believe will apply only to exceptional cases. It seems to deal with a situation in which a beneficiary under a trust or a will, or perhaps of a gift made during the lifetime of the deceased, may feel that it would be unprofitable to accept the gift or bequest. If the election to refuse the gift or bequest is made within a year from the date of death, the tax would not apply. I assume, of course, that the gift-over was in favour of a charitable institution. Again this is a relieving section and I think it is helpful. There are not too many of us who are in a position where we can decide that a gift of any kind is something we cannot afford to take.

Clause 2(2) might be worth mentioning although I must confess I am really painting the lily, because the honourable senator from Winnipeg South explained the bill well enough. But the situation covered by this provision is roughly as follows. If it were not for special provincial legislation, in the case of a man who devised the residue of his estate to his son and found that his son died before him, the residual bequest in the father's will, if the father died without changing his will, would lapse and there would be an intestacy. This is apart from provincial legislation. Section 36 of the Ontario Wills Act picks this situation up and it provides that, in a case like this, the son is deemed to have died immediately after the father, although in fact the son died first. Now, if a son survives a father and gets a bequest under his father's will, normally this is part of the son's estate. What this section provides is simply this, that even though that lapse is prevented from happening by the operation of provincial law, the bequest from the father to the son does not form part of the son's estate. It is taxable, of course, in the normal course of events, in the father's estate, and then the son's heirs, whoever they may be, will find that this is an asset in the son's estate, but it will not be an additional asset for taxation in the son's estate. I think, again, this is a useful thing to have in this act.

Honourable senators, apart from these few remarks, I have nothing further to add to this discussion. I am very pleased indeed that the bill will go to committee, and if there are any technical aspects which might require improvement, there will be some good people there to attend to that.

On motion of Hon. Mr. Beaubien, for Hon. Mr. Hayden, debate adjourned.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

SECOND READING

Hon. William R. Brunt moved the second reading of Bill C-69, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1960 to the 30th day of June, 1961, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

He said: Honourable senators, this bill, known as Bill C-69, is an act which provides the necessary money for meeting the capital expenditures of the Canadian National Railways for the period from January 1, 1960 to June 30, 1961, a period of eighteen months. It further authorizes the Government of Canada to guarantee repayment of certain securities to be issued by the Canadian National Railways during this period.

Honourable senators will recall that a similar bill to this one is passed each year so that the Canadian National Railways can carry on the operation of the world's largest railway.

The bill is in the usual form, which was originally adopted by the Parliament of

Canada during the year 1952. It was in this particular year that the form of the act was changed so as to include the financing of all capital expenditures, whether authorized under that act or under any earlier financing and guarantee acts, and this procedure has again been followed this year.

This year's bill with respect to the expenditures and guarantees of this railroad might roughly be divided into three or four parts. By clause 3, subclause (1) paragraph (a) of the bill, the Canadian National Railways are authorized to make capital expenditures in an amount not exceeding $309,950,000 during the calendar year 1960. A brief summary of this proposed capital expenditure is set out in clause 3, and will be found on page 2 of the bill. I have been given to understand that when the officers of this railway company appear before the committee they will give a full explanation in conection with each item that is set out in this clause.

In view of the fact that this particular bill covers expenditures which are to be made by the railway from the 1st day of January 1960 to the 30th day of June 1961, paragraph (b) was inserted, which allows the railway to make capital expenditures in an amount not exceeding $86 million between the 1st day of January 1961 and the 30th day of June 1961. In other words, the bill covers more than a fiscal year for the railway company, and this clause is put in so that the company can operate during the first six months of the next fiscal year.

Honourable senators will note that under this particular paragraph the Canadian National Railways Company is entitled to invest in the securities of Trans-Canada Air Lines in order to enable this latter company to make any necessary capital expenditures. This provision also applies in connection with the authorized expenditure of over $309 million.

Hon. Mr. Reid: Why is that done?

Hon. Mr. Brunt: Because it is a subsidiary of Canadian National Railways. That is how the financing is always done. The parent company does the financing for the subsidiary. That has always been the practice ever since Trans-Canada Air Lines was incorporated.

If honourable senators will again refer to page 2 of this bill, they will note that the amount which has been authorized to be spent during the current calendar year on behalf of Trans-Canada Air Lines is a sum not exceeding $82,350,000.

Hon. Mr. Connolly (Ottawa West): Where is that amount to be found?

Hon. Mr. Brunt: On page 2 of the bill, near the top of the page, in the first column, it says:

Trans-Canada Air Lines financial requirements, $82,350,000.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Brunt: Finally, under paragraph 3 of this particular clause provision has been made for the railway company to enter into contracts prior to the 1st day of July 1961 for the purpose of acquiring new equipment and generally acquiring and improving the capital assets of the railway company, in an amount not exceeding $51 million. However, it should be borne in mind that no payments of any kind can be made on these particular contracts until after the 31st day of December 1960, and all such payments must be made before the 1st day of July 1961.

Hon. Mr. Reid: Do you mean to say that no payments at all will be made this year?

Hon. Mr. Brunt: That is right: no payments are to be made this year under these particular contracts. Any amount which may be owing on these contracts on the 1st day of July 1961 will have to be provided for and covered in a similar bill which will be introduced next year.

Hon. Mr. Connolly (Ottawa West): May I ask the honourable gentleman a question. I take it that paragraphs (*a*), (*b*) and (*c*) of subsection (1) are three different authorizations.

Hon. Mr. Brunt: That is right.

Hon. Mr. Connolly (Ottawa West): One is for $309 million, one is for $86 million and one is for $51 million?

Hon. Mr. Brunt: That is correct.

Hon. Mr. Haig: Honourable senators, this bill, I presume, is going to be referred to committee where we can get further information.

Hon. Mr. Brunt: Yes. When I finish my explanation I will move that the bill be referred to a standing committee.

Hon. Mr. Haig: There is some information that I would like to get. Since I entered this house a lot of money has been appropriated for the Canadian National Railways, and I would like to get some information as to just about what that all amounts to. Up to the present I have never been able to get that information. I was present in the Senate at the time that we wrote off $1 billion of this railway's capital, money that it owed to the Government, and the then president

of the company told me before the committee that it would never come back for more money.

Hon. Mr. Reid: He said it would break even every year.

Hon. Mr. Haig: Yes. Now what I want to know is this, and I think the people of this country are entitled to know it too: Just how much money have the people of Canada put into the Canadian National Railways since the Government took it over? How much of the debt of that company was taken over, taking into consideration the write-offs and everything else that was done for the company? How much money did we put in it right from the start? I have never been able to get that information and I think we ought to have it by now. A year ago the annual loss amounted to $61 million and this year's loss, I think, was $48 million. Now, those are terrific sums...

The Hon. the Speaker: I will have to call the honourable senator from Winnipeg (Hon. Mr. Haig) to order. I was waiting to see if the honourable senator was only putting a question, but I find he is really making a speech.

Hon. Mr. Haig: Pardon me, Mr. Speaker. I thought the honourable senator from Hanover (Hon. Mr. Brunt) had finished explaining the bill.

Hon. Mr. Brunt: No.

Hon. Mr. Haig: But you gave way.

Hon. Mr. Brunt: No, I was just answering the question of the honourable senator from Ottawa West (Hon. Mr. Connolly).

Hon. Mr. Haig: Well, will you answer mine?

Hon. Mr. Brunt: I will endeavour to obtain the necessary information for the honourable senator when the matter is being considered by the Committee on Transport and Communications.

Subclause 2 of clause 3 authorizes the railway to do the following: (1) borrow money and issue securities; (2) insert in the annual report of the company the amount of money borrowed; (3) include in the annual budget for the calendar year 1961 an estimated amount which the company will require for capital expenditure during the next fiscal year; and (4), set out in the annual budget the amount still owing under all contracts which have not been completed.

This bill further provides that the railway company can issue its own equipment trust certificates, bonds, debentures and other securities.

It also provides that the amounts available from reserves for depreciation and debt discount amortization shall be used toward meeting the expenditures which are authorized under clause 3 of this bill.

Finally, this particular clause has a limiting feature in it, namely, that the railway cannot during this period issue securities in an amount exceeding $203,950,000.

Hon. Mr. Wall: Where will the balance of the money come from?

Hon. Mr. Brunt: There will be a carry-over from the current year, and it will come partly from this source, partly from the Treasury and partly from the amortization of debt.

If honourable senators desire to ascertain the breakdown with respect to this amount of $203,950,000 I would refer them to the explanatory note in the bill, which is set out opposite page 1. It is fairly lengthy and contains a number of items, but I think they all are self-explanatory.

Incidentally, the amount which this company is authorized to borrow, namely $203,950,000, is to be reduced by the value of any preferred stock which is purchased by the Minister of Finance from the railway. For example, if during this fiscal period the Minister of Finance purchased preferred stock having a value of, say, $950,000, then the borrowing would be limited under this clause to $203 million.

Hon. Mr. Connolly (Ottawa West): As I understand the honourable gentleman, if the Minister of Finance should take up preferred stock to the value of $950,000—

Hon. Mr. Brunt: That is an arbitrary figure.

Hon. Mr. Connolly (Ottawa West): —then in that case the company could borrow up to $203 million?

Hon. Mr. Brunt: That is right.

Hon. Mr. Connolly (Ottawa West): And if the Minister does not take it up?

Hon. Mr. Brunt: The company can borrow up to $203,950,000. If the minister takes up no preferred stock the company has a ceiling of $203,950,000 on its borrowings.

Hon. Mr. Connolly (Ottawa West): And the ceiling is reduced by the amount that the Minister takes up?

Hon. Mr. Brunt: That is right.

Hon. Mr. Connolly (Ottawa West): Thank you.

Hon. Mr. Wall: I notice from the explanatory table opposite page 1 that the make-up of the authorized borrowing, $203,950,000, includes the item in paragraph (b) of clause 3, capital expenditures in 1961, $86 million,

but it does not include the item in paragraph (c), $51 million. Is this because the company will enter into contracts?

Hon. Mr. Brunt: The amount of $203,950,000 I take to be the amount which the Canadian National Railways can borrow over the eighteen-month period.

Hon. Mr. Wall: Yes, but it does not include the item in paragraph (c), $51 million.

Hon. Mr. Brunt: I will obtain the explanation of that for the honourable senator when this bill is before the Transport and Communications committee.

Hon. Mr. Isnor: I wonder if the honourable senator from Hanover (Hon. Mr. Brunt) would give a clearer picture of that amount of $950,000 which he mentioned a few moments ago. I am a little hazy in regard to that. If the company borrows $950,000 from the Government, or if it sells to the Government preferred stock in the amount of $950,000, that shows as a debt against the Canadian National Railways. Would the honourable senator be good enough to tell me what is the difference between, on the one hand, putting the whole amount on the market and, on the other hand, dividing it into $203 million and $950,000?

Hon. Mr. Brunt: I understand that this preferred stock has been set up in the capital structure of the Canadian National Railways. I cannot tell the honourable senator why the railway might prefer to sell preferred stock or why the Minister of Finance might prefer to buy preferred stock for the part of the money which is required rather than to borrow it from the public. It might be that at the time the company was ready to float a bond issue the market would be unfavourable, in which case the company could sell preferred stock to the Minister of Finance.

Hon. Mr. Aseltine: And the company would not have to borrow so much.

Hon. Mr. Brunt: I regret that I cannot tell the honourable senator why the company might at any particular time sell preferred stock to the minister rather than borrow from the public. However, I have made a note of it and we will get the explanation when the bill is being considered in committee.

Hon. Mr. Isnor: Just one more question: Does it sound reasonable to you?

Hon. Mr. Brunt: Yes.

Hon. Mr. Reid: It is window dressing.

Hon. Mr. Brunt: No, it is not window dressing. The Canadian National might find it very much to its advantage to sell preferred stock to the Minister of Finance rather than go into the money market at some particular time when it required money.

Hon. Mr. Lambert: Is the amount of $950,000 that you mentioned a nominal figure?

Hon. Mr. Brunt: It is just a figure I chose.

Hon. Mr. Lambert: But it might be more?

Hon. Mr. Brunt: It might be more, it might be less; and the company might not sell any preferred stock at all. I chose that sum in order to illustrate in round figures how the amount of the borrowings by way of bonds and debentures may vary.

Hon. Mr. Connolly (Ottawa West): A good box-car figure.

Hon. Mr. Brunt: Clauses 5 and 6 of the bill deal with guarantees to be provided by the Government and with the manner in which moneys realized from the sale of securities will be handled. Both of these clauses are self-explanatory and have been contained in all similar bills since the year 1952.

Honourable senators will note that under the heading "General" on page 4 of the bill, certain powers are given to the railway and certain administrative procedures are set up. For instance, the railway company has power to assist any other company which is in the national system, such as all the hotel companies, Grand Trunk Western lines, and other branch company lines.

Clauses 8 and 9 deal with the financial transactions which take place between the Minister of Finance and the railway, including the right of the Minister of Finance to advance moneys to the railway to cover deficits.

Honourable senators will note that in clause 10 the Minister of Finance is empowered to make advances to Trans-Canada Air Lines in order to cover deficits if such should occur during this fiscal period.

Clause 11 of the bill is entirely new. Under the Canadian National Railways Capital Revision Act the minister has the right to purchase the 4 per cent preferred stock of the Canadian National Railways at any time up to December 31, 1960. Under this clause this right is extended to December 31, 1961, in order to make this right of purchase of preferred stock co-terminus with the other provisions of the Canadian National Railways Capital Revision Act.

Clause 13, the final one in the bill, appoints J. A. De Lalanne, a chartered accountant carrying on business in the city of Montreal, to act as an independent auditor in order to make a continuous audit of the accounts of this railway, such appointment to expire on the 31st day of December 1961. I understand

that this is necessary in accordance with good accounting and auditing practices, and also necessary so that this railway will be provided with an independent auditor until a bill similar to this one is passed during the year 1961.

Hon. Mr. Isnor: Is that a new auditing company?

Hon. Mr. Brunt: No. It is the same company that acted in the previous year.

Hon. Mr. Lambert: How long has this firm been auditing the accounts?

Hon. Mr. Brunt: It was appointed during the year 1957.

Honourable senators, I do not propose to say anything further in connection with this bill. When it receives second reading I shall move that it be referred to the Standing Committee on Transport and Communications. If possible, I would like the bill to be considered by that committee on Wednesday next, so that the necessary arrangements can now be made for attendance of the proper officials of the Canadian National Railways before the committee on that day.

Hon. John T. Haig: Honourable senators, do I now have permission to proceed with what I was going to say?

The Hon. the Speaker: The honourable senator may proceed.

Hon. Mr. Haig: I did not want to interrupt anyone, but I understood that the honourable gentleman from Hanover (Hon. Mr. Brunt) had sat down.

I do not think we can consider this bill as early as Wednesday next, if we are to get the information that I have asked for. If my honourable friend will look over previous proceedings he will find that when the question of the general write-off of the railway system took place we spent considerable time going over the estimates, and each year certain questions have come up. In addition to the statement I have asked for, I want something more. I want to know who controls the continuation of this railway system under its present management, when it is going behind in every year of its operation. Why should we as Canadian citizens be faced with a bill of $40 million to $60 million on an enterprise which simply cannot pay its way? Why should we keep hitting our heads against a wall and taking a tremendous loss every year? I think at a time like this, when there is a demand for increased rail rates, all these things should be taken into consideration.

I have followed the activities of the President of the Canadian National Railways for quite some time. I recall on one occasion when he was before our committee he refused to tell me the sale price of a building at Brandon to a private individual. He also refused to tell the House of Commons. Then when I got one of his officials on the stand I asked him, and he told me. The reason he told me was that he knew that I could find out what the sale price was, because under the Manitoba law an affidavit of value has to be sworn before a transfer of property can be registered. As I say, one of his officials, and a very able man he was, knew that I could get the information if the railway did not give it to me.

My point is this: at a time when we are posing as business people, attempting to carry on business with other countries of the world, with a great world-wide economic struggle taking place, why should we go behind year after year in one of our own businesses? We are borrowing more money from the rest of the world than we are lending, and we are going behind every year. Why should we lose anywhere from $50 million to $70 million a year and probably more on our railways? That is the information I want to get.

I appreciate the efforts of my honourable friend from Hanover in his explanation of the bill, and in his anxiety to get it to committee on Wednesday next. I am quite agreeable to have it go to committee on that day, but I want to have the information I have asked for before we report the bill to the house. If you see to it that I get the information, we can put the bill through on Wednesday. I must have that information. Specifically, I want to know how much we have lost every year since the system was taken over by the Government up to the present time. How much have we written off each year, how much has the Government and the people of Canada had to pay? What is the solution of the whole problem? On one occasion the president of the railway was before the committee; I asked him about future advances, and he said that unless Canada was hit by a great disaster, it would be the last time they would ask for money.

Hon. Mr. Isnor: What year was that?

Hon. Mr. Haig: As a senator from the province of Manitoba, I think I am entitled to have that information, because if the demand for increased rail rates is met the farmers of the Prairies will have to pay more for transportation of their chief products to market.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Honourable Mr. Brunt, bill referred to Standing Committee on Transport and Communications.

INTERNATIONAL BOUNDARY COMMISSION BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Fred M. Blois moved the second reading of Bill S-35, respecting the International Boundary Commission.

He said: Honourable senators, as you well know, Canada and the United States share a common border. Each of our nations has a common heritage, a common interest and common objectives in domestic, national and international relations. Our celebrated undefended common border stretches for some 5,500 miles across forests, prairies, mountains, lakes and rivers, and through many settled communities. It is proof to the world of the ability of two nations to live peaceably with each other, and I am confident that every citizen of the United States and Canada is extremely proud of this condition.

Before referring directly to the Boundary Commission I think it would be informative and, perhaps, essential that honourable senators have some of the history concerning the boundary between our two countries. It also must be kept in mind that these boundaries have effect upon not only the land but the waters, and particularly the fishing rights in said waters.

The several sections of the international boundary between the United States and Canada were originally agreed upon and defined in treaties between the United States and Great Britain concluded in 1783, 1818, and 1846. The first of these treaties, the Treaty of Paris, which brought to a close the American War of Independence, defined the boundary as far westward as the Lake of the Woods. The second of the treaties, the Convention of 1818, defined the boundary along the 49th parallel from the Lake of the Woods to the Rocky Mountains. The third treaty defined the line westward from the Rocky Mountains to the middle of the channel which separates the continent from Vancouver Island, and thence southward and westward through that channel to the Pacific Ocean. The boundary between Alaska and Canada was originally defined in a treaty between Great Britain and Russia in 1825, to which the United States became a party in interest through the purchase of Alaska from Russia in 1867.

As the frontier of our nation moved westward it was found that, due to the lack of accurate geographic knowledge of the country at the time these original treaties were made, the treaty descriptions of parts of the boundary were subject to several interpretations. It was not until three additional treaties had been negotiated, and their provisions carried out, that that part of the international boundary line originally agreed upon by the Treaty of Paris was finally settled. These were the Jay Treaty of 1794, under which was established the identity of the St. Croix River, one of the boundary streams designated in the treaty of 1783; the Treaty of Ghent of 1814, under which was established the national ownership of the islands of the Passamaquoddy Bay, the St. Lawrence River and the Great Lakes as far as the north end of Lake Huron.—It is interesting to note that on the first official boundary maps of the St. Lawrence River and the Great Lakes is to be found the name of the noted geographer David Thompson, who was employed as a surveyor for the British section of the commission which mapped this part of the boundary following the Treaty of Ghent.—The third treaty was the Webster-Ashburton Treaty of 1842, which defined more exactly than the treaty of 1783 had done the boundary from the source of the St. Croix River to the St. Lawrence River and the line westward from Lake Huron to the northwesternmost point of the Lake of the Woods.

Similar questions also arose with respect to the boundary at the west coast. Although the treaty of 1846 had presumably fixed the boundary through the waters between the continent and Vancouver Island, it was found necessary in later years to settle the question of the national ownership of several of the islands in these waters. This was done by the treaty of 1871, by which the location of the boundary with respect to the islands was referred to the Emperor of Germany as arbitrator, whose award was to be considered "absolutely final and conclusive".

Also, in the case of the Alaskan boundary the description of the line as originally set forth in the treaty between Great Britain and Russia in 1825 proved upon subsequent explorations to be quite indefinite, and several questions arose concerning the true meaning of certain clauses of the treaty. These questions were settled under the provisions of the treaty of 1903 by the award of the Alaskan Boundary Tribunal.

Thus it was not until 120 years after the War of Independence, or shortly after the beginning of the present century, that all the major questions with respect to the International Boundary Line between the United States and Canada and between Alaska and Canada had been settled and the general location of the line finally agreed upon.

This has been a very brief history concerning the boundaries between the two countries. I would refer honourable senators who are interested in further information

to the eight joint reports of the International Boundary Commission and the report of the International Waterways Commission, which are to be found in the Library of Parliament and the provincial libraries. These will be found to be most interesting reading. They tell, among other things, of a grant of land by King James of England to Sir William Alexander in 1621, which included all of Nova Scotia as it is today, across the Bay of Fundy to the St. Croix River, thence northward to the south shore of the St. Lawrence River down and around Gaspé and including the present province of New Brunswick. All of that was known at that time as Nova Scotia. It was not until 1763 that a royal proclamation created the province of Quebec, including all the south bank of the St. Lawrence, and it was not until 1784 that the province of New Brunswick was created.

After reading these reports, I am confident that honourable senators will agree that Canada owes much to those early boundary commissions and their staffs of engineers, and also to the present commission and their staff who are so ably carrying on the work of placing and maintaining monuments and buoys and the maintaining of a boundary vista.

Following this brief history I would like to discuss the International Boundary Commission and Bill S-35, respecting the same, which we have before us.

In order that the boundary should be physically marked out the International Boundary Treaty of 1908 established the International Boundary Commission, which is composed of two sections, a Canadian and an American section. By the treaty of 1925, to "define and complete the international boundary between Canada and the United States", the commissioners appointed under the treaty of 1908 were to be responsible for continuous maintenance of the international boundary line, the boundary monuments and a cleared 20-foot skyline vista along the line. The 20-foot vista is composed of 10 feet on the United States side of the line and 10 feet on our own side.

The 1925 treaty was approved by a resolution of Parliament in that same year, but no implementing legislation has been enacted to give the Canadian commissioner authority to carry into effect the provisions of the treaty with respect to the maintenance of the boundary monuments and the clearing of the 10-foot vista on the Canadian side of the boundary line. In fact, there is no specific authority for the commissioner to obtain the right of access to the boundary vista itself.

In consequence, honourable senators will appreciate that if the existing situation is not remedied—that is, if the Canadian International Boundary Commissioner is not given legal authority to exercise his functions—Canada might be placed in a situation where she would be unable to fulfil the obligations of a treaty to which she is a signatory.

At this point I should like to describe something of the nature of the boundary line as well as something of the work which is carried out by the Boundary Commission in order to maintain the boundary monuments, reference monuments and vista.

A moment ago I mentioned that the international boundary line stretched for some 5,500 miles. Honourable senators may be interested to know that this distance is roughly the same as that between Vancouver and Shanghai, or that between Toronto and Buenos Aires. Inevitably, the marking and maintenance of a boundary line of such length requires a considerable effort on the part of the Canadian and United States Boundary Commissioners. There are, in fact, more than 8,000 markers and monuments which have to be looked after in connection with the line.

Let us consider the path of the boundary from its easternmost starting point in Passamaquoddy Bay. From Passamaquoddy Bay the line progresses across water and through forests until it reaches that region of the province of Quebec known as the Eastern Townships. Each different type of terrain provides a different problem to the Boundary Commissioners, and I would ask honourable senators to join with me for a moment in examining some of these problems.

With the exception of one small region in the Great Lakes, those portions of the boundary line which pass through rivers and lakes are not physically marked with buoys. However, its position can be established at any time by reference to a system of permanent marks which are set on the shores. These marks, which are found along such watercourses as the St. Lawrence River, the Great Lakes, the Straits of Juan de Fuca and the Portland Canal, number more than 2,500, and the positioning and maintenance of all of them is the responsibility of the boundary commissioners.

As we all know, the boundary between Canada and the United States is unfortified and there are, therefore, many places where, apart from the boundary monuments, it is not easy to see a boundary line—it has to be imagined rather than seen. However, this is not at all the case when the boundary runs through forests and other wooded areas. Ever since the middle of the 1800's and the early 1900's a swath 20 feet wide, made up of ten

feet on Canadian soil and ten on American, has been cut through the forests and woods. Honourable senators will recall that a moment ago I employed the term "a cleared 20-foot skyline vista". This means that if a man were to stand on a section of the boundary line which cut through a forest he would be able to have a clear view of the sky above his head: that is, besides seeing a swath 20 feet wide in front to him, his view of the sky would not be obstructed by overhanging branches. Hence the boundary is clearly identified even when it runs up the side of a wooded hill.

The path of the boundary through forests provides a dramatic sight because it is so clearly visible. Aerial photographs have been taken at a height of about 20,000 feet on a clear day and this path shows distinctly. I would add that in addition to providing an aid for aerial navigation this swath has been instrumental in saving the lives of people who, having been lost in the woods, have come across the swath and stayed on its path.

There is a total length of 1,350 miles of boundary passing through forests. The vista is continually being closed by the growth of young trees and undergrowth, and it is part of the duty of the commission to cut this new growth at frequent intervals, as often as is necessary, to maintain a cleared line through the forests.

In addition to traversing watercourses and forested areas, the boundary passes through fine farmlands, through villages, towns and other closely-settled areas. And here other problems present themselves.

In beauty spots, such as the International Peace Gardens on the border between Manitoba and North Dakota, and at the Peace Park between Douglas, British Columbia, and Blaine, Washington, the citizens of both countries have for many years enjoyed the favourable development of a common boundary area.

Hon. Mr. Reid: I might point out to honourable senators that on the Canada-United States boundary line at the Peace Park stands the International Peace Arch, which I believe is the only peace arch in the world.

Hon. Mr. Pearson: The Peace Park on the British Columbia-Washington border is almost as fine as the Peace Gardens between the province of Manitoba and North Dakota.

Hon. Mr. Blois: In addition, an increasing number of fine modern customs and immigration buildings are to be found at well-marked crossings from coast to coast. These are very attractive. At other places, however, ditching operations have endangered the boundary monuments, billboards have added an element of unsightliness to the international boundary and a few dwellings and commercial establishments are to be found across the line itself.

For the better enforcement of the customs and immigration laws, and in order that the international boundary line should be free of obstructions, the United States in June 1908, set aside as a public reservation all unpatented lands lying within 60 feet of the international boundary. Similar action had already been taken by the Government of Canada respecting the Yukon-Alaska boundary in April 1908, and reservations were subsequently made by the province of British Columbia in November 1908, by Saskatchewan in 1931, by Manitoba in 1930, by Ontario in 1925 and by Quebec and New Brunswick in 1923. The existence of a 66-foot road allowance on Alberta's southern boundary achieved the same purpose.

While the intent of the reservations just described is clear, in Quebec and New Brunswick most of the land adjoining the boundary was already at the time in private hands.

I wish to emphasize to honourable senators that the proposed legislation now before them seeks in no way to destroy or remove existing structures or buildings, but only to prevent other structures and buildings from being erected on the international boundary in the future. I would say that this is a reasonable action and one which is in the national interest. It works no more hardship upon an individual than a municipal bylaw which prevents property owners from constructing within a given number of feet of a sidewalk or a road.

From what I have already said, I think honourable senators will understand that a good part of the Boundary Commissioners' work consists of clearing the vista through forests and inspecting, repairing, and maintaining boundary marks and monuments.

There are several reasons for the need of repairs to monuments. Monuments are frequently heaved by the action of frost, especially in swampy or in wet ground. The banks of rivers cave and wash away, sometimes taking monuments with them or dislodging them. A monument located on a sand or gravel bed is sometimes disturbed by the removal of this material for use in road construction. Relocation or improvement of highways along or across the international boundary often requires the moving of monuments to new sites. Deterioration of concrete bases requires repairs or the complete renewal of some of the bases. Monuments are sometimes broken off by road-grading machinery or snowplows.

Hon. Mr. Choquette: May I ask if the United States makes any contribution?

Hon. Mr. Blois: The contribution of Canada and the United States is on a fifty-fifty basis on all work being done.

Large trees occasionally fall on some of the monuments and either break or displace them. Frequent inspection of the boundary monuments is therefore necessary, and repairs and replacements of lost or damaged monuments are usually made at the time of the inspection.

Special projects, such as the construction of the St. Lawrence Seaway, may also require action by the Boundary Commission. On the international section of the seaway a new system of reference monuments has been established to replace more than 40 such monuments which were in places now flooded.

Hon. Mr. Isnor: Does that change the boundary line of the St. Lawrence Seaway?

Hon. Mr. Blois: Not the boundary line, but the markers have to be changed, so that the engineers can find the boundary at a later date. In view of the question which has just been asked, perhaps I should say that the work done by the commission is not duplicated by any other agency, either federal or provincial, and I understand that a similar situation prevails on the United States side. All expenses incurred by the International Boundary Commission in carrying out its functions are shared equally between our two countries.

Hon. Mr. Isnor: To what extent? Fifty per cent represents what in dollars?

Hon. Mr. Blois: The yearly cost is approximately $60,000. It may be between $60,000 and $65,000, judging from the figures I was able to obtain.

Hon. Mr. Choquette: Is that the total cost?

Hon. Mr. Blois: The yearly cost.

Hon. Mr. Choquette: For Canada?

Hon. Mr. Blois: That is for Canada.

I understand that approximately the same number of Americans and Canadians are employed for the work crews on the national sections. A report is prepared each year concerning the work which has been carried out during that year and copies are sent to both Governments.

Although the commission has for many years carried out the functions defined in the treaty of 1925 without legislation which specified its powers to do so, the increasing development and use of land near the international boundary from coast to coast has led, with increasing frequency, to proposed encroachments upon the boundary area by buildings and other structures.

With the increased use of heavy earth moving equipment in road building and other construction projects, and with the building up of the area adjacent to our boundary, increasing numbers of boundary monuments are endangered annually.

The legislation now before honourable senators is desirable, therefore, in order that Canada may be able to fulfil her treaty obligations, to provide adequate protection for the system of monuments, to allow the Boundary Commissioners assured legal access to the boundary area, to prevent unauthorized encroachments in that area and to facilitate the application of customs regulations.

Hon. Thomas Reid: Honourable senators, we have just listened to a very interesting address outlining the work of the International Boundary Commission. If this is a new piece of legislation, I commend the giving to the commission of powers with regard to policies it should have had many years ago.

The honourable senator outlined a great deal of the history of the International Boundary Commission. However, I think he omitted one of the most important points of that history, especially in so far as British Columbia is concerned. I ask the indulgence of honourable senators while I touch upon that point.

The history of the boundary line from Alberta to British Columbia commenced, if my memory serves me, in 1845. The honourable senator spoke of the great amount of work required to keep the survey path clear today. Well, it is just child's play today compared with the work in 1845, when they had to hew their way right through solid timber. In those days Canada was a colony of Great Britain. The Americans had sent their survey team from Washington, and the survey team from British Columbia came from the Old Country. Everything had to be brought by boat around Cape Horn. There were no marking monuments available here. Horses were brought in, and the surveyors came and started at the point in the middle of the gulf mentioned by the honourable senator. The Canadian survey group headed east and the American group headed west. It is very interesting to note that the account of that great survey by the British on behalf of Canada was lost for fifty years and that it was only found by accident in the observatory of Britain. Americans have no record at all of their survey—it is lost and gone.

In reading the records, as I have done—and I shall have something to say shortly about this boundary line—it was interesting to note how difficult it was in those days to keep the British and the Americans from

fighting. There were intensely hard feelings between the two survey parties. The story of the hardships endured by the people who had come to British Columbia for the first time is almost unimaginable. One account is from letters that were sent to the Secretary of State in Great Britain. I was able to procure a book which includes all the letters. One of them intrigued me. In regard to one point, now called Chilliwack, but which then had a different name, a statement says:

> My Lords, at noon today the sun was darkened or blackened out by mosquitoes.

The surveyors could not see the sun because of the mosquitoes.

In the course of my reading I found something which I thought I could use to good advantage in asking for an exchange of a piece of property, now in the United States, called Point Roberts. Because the line which runs through what is called Point Roberts leaves a piece of territory a mile and a half or more in the United States, the rest, to my mind, should belong to Canada. We would dearly love to have that, because Point Roberts is occupied mostly by British Columbia people who have summer homes close to the city of Vancouver. However, I discovered that the 49th parallel line was not the actual 49th parallel, and that the surveyors had made a mistake of half a mile. So I said: "I have something to say to the Americans now. If they will give us this portion of property at Point Roberts, we will be satisfied, and not request the half mile which we should have owned at Blaine." Naturally I felt kind of good about the discovery. But what surprised me was the answer I received on two occasions in the House of Commons. I was told by the Government of the day that an order in council passed in, I think, 1923—I am subject to correction as to that year—had designated the present line as the 49th parallel. Now, I have always doubted that it was legal for the Government to pass an order in council designating the boundary line. I claim that should have been done by an act of Parliament, just as we are proposing to do now by this bill, and I am still of that mind. I raised the question on two separate occasions, once before the Right Honourable Mackenzie King and once before the Right Honourable Mr. Bennett, and both gave me the same answer, that I was raising a question of great importance—my reply being: "Any silly fool would know it is of great importance. Don't tell me that kind of story." But that is as far as I got.

I think this story of the international boundary in Alberta and British Columbia is a most interesting one. I have a copy of the book I referred to and would be glad to lend it to any member of the Senate who wishes to read it. I thought I would take advantage of this occasion to tell of that incident and to say how much I appreciate the bill now before us.

Hon. Mr. Blois: I thank the honourable senator from New Westminster (Hon. Mr. Reid) for the additional information he has given us; it is a very interesting story, speaking as it does of some of the hardships endured in surveying the border.

Hon. Mr. Isnor: May I inquire of the sponsor of the bill (Hon. Mr. Blois) whether it is going to be referred to committee?

Hon. Mr. Blois: After the bill receives second reading I will move that it be referred to the Standing Committee on External Relations. I may say that the present Commissioner, Mr. Lambert, has a film which illustrates very distinctly and clearly some of the matters I have been outlining, and if members of the committee would like to see this film he would be pleased to show it, provided that we can have a meeting of the committee not later than next Thursday, after which date he will be away from Ottawa on some of his duties.

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

DIVORCE

BILLS—SECOND READINGS

Hon. William H. Golding, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-456, for the relief of Raymond Faucher.

Bill SD-457, for the relief of Alexander Bleziotis.

Bill SD-458, for the relief of Ralph Gatis.

Bill SD-459, for the relief of Diana Elizabeth Wilson Ronalds.

Bill SD-460, for the relief of Parthenope Eftichidou Economou.

Bill SD-461, for the relief of John Edward Anderson.

Bill SD-462, for the relief of Claire Viger Marcil.

Bill SD-463, for the relief of Denis Claire Lescarbeau Sarroino.

Bill SD-464, for the relief of Carlyn Louise Atwood Leslie.

Bill SD-465, for the relief of Sophia Kaloutsky Kachur.

Bill SD-466, for the relief of Rosaire Armand Falardeau.

Bill SD-467, for the relief of Philippa Osler Day.

Bill SD-468, for the relief of Mary Rebecca Pittman Lawrence.

Bill SD-469, for the relief of Frances Cohen Salsky.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Golding moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

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

79955-1—53

THE SENATE

Tuesday, June 21, 1960

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

Prayers.

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-70, respecting the International Development Association.

Bill read first time.

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

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Thursday next.

Motion agreed to.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Report on the quinquennial actuarial examination on the state of the Superannuation Account in the Consolidated Revenue Fund, as at December 31, 1957, pursuant to Part I of the Public Service Superannuation Act, section 33, Chapter 47, of the Statutes of 1952-53 (as amended).

Report on the quinquennial actuarial examination on the state of the Regular Forces Death Benefit Account in the Consolidated Revenue Fund, as at December 31, 1955, pursuant to Part II of the Public Service Superannuation Act, section 48, Chapter 64 of the Statutes of 1953-54.

Report on the quinquennial actuarial examination on the state of the Public Service Death Benefit Account in the Consolidated Revenue Fund, as at December 31, 1957, pursuant to Part II of the Public Service Superannuation Act, section 48, Chapter 64 of the Statutes of 1953-54.

Statement on the operations of the Civil Service Insurance Act, for the year ended March 31, 1960, pursuant to section 21(2) of the said act, being Chapter 49, R.S. 1952.

DIVORCE

REPORTS OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 493 to 510, and moved that the said reports be taken into consideration at the next sitting.

Motion agreed to.

CANADA-U.S.S.R. TRADE AGREEMENT

NOTICE OF MOTION FOR APPROVAL OF RATIFICATION OF PROTOCOL

Hon. W. M. Aseltine: Honourable senators, I give notice that on Tuesday next, the 28th of June, I will move:

That it is expedient that the Houses of Parliament do approve the ratification by Canada of the Protocol, signed at Moscow, on April 18, 1960, renewing the agreement on trade between Canada and the Union of Soviet Socialist Republics, concluded in Ottawa, on February 29, 1956, and that this house do approve the same.

Hon. Mr. Macdonald: May I ask the Leader of the Government if the document has been tabled and distributed?

Hon. Mr. Aseltine: Yes, the Protocol was published as an appendix to the *Minutes of the Proceedings of the Senate* on the 3rd day of May 1960. Every member of the house will have a copy of those Minutes.

Hon. Mr. Macdonald: Thank you.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—DEBATE ADJOURNED

Hon. W. M. Aseltine moved, pursuant to notice:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges.

30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

He said: Honourable senators, this motion has been on our Order Paper for a long time, in fact, ever since January 19 last, and honourable senators have therefore had plenty of time to study the matters covered thereby in all their aspects.

Before dealing further with the motion, I think I should mention the judicature sections of the British North America Act. These are sections 96 to 101 both inclusive.

Section 96 has to do with the appointment by the Governor General of judges of the Superior, District and County Courts, except Courts of Probate in Nova Scotia and New Brunswick.

Sections 97 and 98 deal with the selection of judges from the bars of the different provinces.

Section 99, which is the one we are principally concerned with, reads as follows:

99. The judges of the Superior Courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

Section 100 of the British North America Act deals with salaries, allowances and pensions of Superior, District and County Court judges which are to be fixed and provided by the Parliament of Canada.

Section 101 deals with the establishment of a Canadian Court of Appeal and any additional courts for the better administration of the laws of Canada. Under that section, we set up the Supreme Court of Canada and the Exchequer Court.

The purpose behind this motion, honourable senators, is that a humble address be presented to Her Majesty the Queen praying that a measure be laid before the Parliament of the United Kingdom to repeal section 99 of the British North America Act and to substitute therefor a new section 99 providing, among other things, for the retirement of judges of the Superior, District and County Courts upon attaining the age of 75 years, or upon the coming into force of the new section if at that time that age has already been attained. It will not be necessary for me to read the exact wording at this time.

79955-1—53½

This bill, if passed, will be known as the British North America Act, 1960. Later in the debate an amendment to this motion will be moved to change the date on which the act will come into force.

At this time, honourable senators, I wish to refer to certain legislation which was passed by the Canadian Parliament in 1927. There are several honourable senators here who were then in Parliament and they will, no doubt, remember that on March 10, 1927 the Honourable Ernest Lapointe, Minister of Justice, introduced bills in the House of Commons to amend the Judges Act, the Supreme Court Act and the Exchequer Court Act. These bills had principally to do with the retirement of judges of the Supreme and Exchequer Courts of Canada at 75 years of age. Those courts, as I have said previously, had been set up under section 101 of the British North America Act.

The bill to amend the Judges Act and the two bills amending the Supreme Court Act and the Exchequer Court Act were passed unanimously in the Commons after a very limited debate and then came to the Senate, where the three bills were introduced by the Leader of the Government in the Senate of that day, the Honourable Senator Dandurand. All three bills were passed unanimously by the Senate after a very short debate, occupying only two pages of the *Hansard* of this house on March 30 and 31, 1927.

In his introduction to the Judges Bill the Honourable Senator Dandurand stated:

The other enactment is the limitation of the age of the judges, and their retirement when they reach 75 years. It applies to the present judges as well as to those who shall be appointed in the future. Honourable gentlemen realize that the highest tribunal in the country must be maintained in the best state of efficiency.

A little further on the Honourable Senator Dandurand said:

The Department of Justice has submitted to Parliament an enactment by which judges shall be retired at the age of 75. This is for reasons of efficiency. It is felt that the judges should be in a position to do their full duty and it is realized that it is somewhat difficult to persuade a judge who is losing his strength that the time has arrived for him to withdraw, or that he is not as capable as he was.

The Honourable Senator Dandurand went on to say that he had been told of a certain senior judge who asked a junior judge in the same court to be sure to let him know when he felt in his own mind that he, the senior judge, was not as capable as he should be and the time had come for him to withdraw. The junior judge said that after he had done as requested, the senior judge never spoke to him again.

Honourable senators will have noticed that by the first words of section 101 of the British

North America Act the Parliament of Canada had full power to pass the three bills referred to, and it was not necessary to obtain an amendment to that act.

The legislation which we are now bringing before the Senate is not revolutionary or unusual. In my opinion it is quite similar to the legislation which was passed in 1927. All we are asking for now is that legislation be enacted terminating the tenure of office at the age of 75 years of judges of the Superior, District and County Courts. If the legislation becomes law it will read as follows—I quote from subsection 2 of the new section 99 as it appears in the Address:

A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age.

Honourable senators will note this is quite similar to the 1927 legislation to which I referred.

I am also of the opinion that the same reason which was advanced in 1927, when the age limit of 75 was fixed for judges of the Supreme and Exchequer Courts, now applies with equal force to the fixing of the age limit of our Superior, District and County Court Judges at 75 years.

However, whereas Parliament had the power to pass the 1927 legislation without securing an amendment to the British North America Act, it is now considered that by virtue of secion 99, which I have just read, it is necessary to secure an amendment to that act in order to implement the legislation which is now before us. The only way in which that can be done is by a joint address of the Senate and Commons, and that is the reason why we are obliged to adopt this procedure.

Honourable senators, I do not intend to go into the reason why the Parliament of Canada finds it impossible to amend its own Constitution in a case of this kind. That was fully gone into by the Prime Minister in the other place during his remarks last Tuesday. At that time he dealt, in detail, with the seventeen different occasions since 1867 when amendments have been made to the British North America Act. But I will say this, that I hope before long an agreement can be reached with the provinces whereby the authority to amend Canada's Constitution will be vested in the Parliament of Canada with the approval or co-operation of the provinces.

Some Hon. Senators: Hear, hear.

Hon. Mr. Aseltine: Constitutional lawyers are generally of the opinion not only that an amendment to the British North America Act is necessary, but also that the consent of all of the provinces is also necessary before any such request for an amendment to the British North America Act is made. The Honourable Mr. St. Laurent, later the Right Honourable Mr. St. Laurent, was firmly of that opinion, as will be clearly seen by reading the *House of Commons Debates* for 1944, at pages 2248 and 2249, where he is reported as saying:

This is in my opinion a matter which should not be presented for amendment to the imperial Parliament without previous discussion with the provinces, because the administration of justice and the establishment of the courts are matters that are within provincial jurisdiction. It is my view that the proper procedure with respect to amendments to the B.N.A. Act when dealing with any portion that gives jurisdiction to provincial Legislatures should involve prior conference and consultation with the Legislatures, and if it is sought to take away from them something which has been allotted to them, their consent should be obtained.

Again, in 1946, as reported in the *House of Commons Debates*, at page 2711, he stated the following:

Is it still the opinion of the Minister of Justice that an amendment to the B.N.A. Act, which would provide power to retire judges at a stated age, would require the consent of the provincial legislatures? To that my answer is that, notwithstanding the vote of last night, I persist in that view.

Later in the same debate he stated, in answer to a question by Mr. Diefenbaker:

In my opinion it would have to be the consent of all of the provinces that would be affected thereby.

Hon. Mr. Macdonald: Did Mr. Diefenbaker agree with that?

Hon. Mr. Aseltine: I think so.

Hon. Mr. Macdonald: I do not think so.

Hon. Mr. Aseltine: In 1945 the Honourable Mr. St. Laurent made an attempt to reach an agreement with the provinces on this same kind of matter, and on January 2, 1945 the Minister of Justice of that day wrote to the Attorney General for each province suggesting for his consideration an amendment to the British North America Act providing for the retirement of judges upon their reaching a certain age, but nothing came of it. The Province of Alberta disagreed entirely, and only six provinces sent replies. There was no reply received from British Columbia, Saskatchewan and Nova Scotia. Other attempts were also made over the years as far back as 1903, but without success.

Honourable senators, I am happy to report now that for the first time the consent of all of the provinces has been obtained.

Hon. Mr. Roebuck: The consent of the provinces, or the Attorneys General?

Hon. Mr. Aseltine: The Minister of Justice wrote to each Attorney General and received unanimous replies. Last Thursday I tabled correspondence in the Senate, and honourable senators will find the same, including the resolutions passed by the Quebec Legislative Council and Legislative Assembly, in appendix A to the *Minutes of the Proceedings of the Senate* of that day.

Hon. Mr. Reid: That was the only province that did it. In all the others the Attorneys General spoke for the provinces.

Hon. Mr. Aseltine: Yes, that is correct.

Also, honourable senators, on numerous occasions the Canadian Bar Association has requested action on the part of the federal Government in this matter. From 1936 up to the present time eight submissions from that association have been made urging Parliament to deal with the problem of retiring judges at 75 years of age.

Hon. Mr. Macdonald: Were they all from the Canadian Bar Association? Were not some of those from provincial Bar Associations?

Hon. Mr. Aseltine: I am subject to correction there, but I will give a brief summary of each one and then we will find out.

In 1936 there was a resolution to that effect by the Council of the Canadian Bar Association. In 1937 there was a report of the Committee on Civil Justice of the Canadian Bar Association to the same effect.

Hon. Mr. Roebuck: To what effect?

Hon. Mr. Aseltine: Asking for the retirement of Superior Court Judges at 75 years of age.

Hon. Mr. Roebuck: Did any of these submissions contain a suggestion that we modify the British North America Act?

Hon. Mr. Aseltine: I am not sure. I have in my file much information on this question, but I did not intend to go into that fully tonight. However, I can do so if honourable senators wish me to take up the time.

Hon. Mr. Roebuck: Oh, no.

Hon. Mr. Aseltine: I believe there was a letter in 1920 suggesting that the British North America Act be amended. Perhaps I should go on with my remarks.

Hon. Mr. Macdonald: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) whether it is not so that a suggestion was made either by the Canadian Bar Association or a province that instead of amending the British North America Act a reference be made to the Supreme Court of Canada to determine whether the Parliament of Canada had the right to make this amendment without going to the imperial Government?

Hon. Mr. Aseltine: I think the honourable Leader of the Opposition (Hon. Mr. Macdonald) is correct. It was suggested that an amendment be made to the British North America Act or that a reference be made to the Supreme Court of Canada.

Hon. Mr. Thorvaldson: But that suggestion was made on only one occasion during all the time the Canadian Bar Association dealt with the matter.

Hon. Mr. Aseltine: I have a record of that in my file.

In 1944 a resolution was passed by the Ontario section of the Canadian Bar Association. In 1952 a letter was received by the Department of Justice from the President of the Canadian Bar Association dealing with the same question. In 1953 another letter was received from the President of the Bar Association. Also in 1953 a resolution was passed by the Bar Association.

Hon. Mr. Macdonald: Has the honourable gentleman a copy of the resolution?

Hon. Mr. Aseltine: All I have is a statement that there was a resolution, dated September 12, 1953 by the Canadian Bar Association urging the Government of Canada to take the necessary steps to bring about the compulsory retirement of Supreme Court judges at the age of 75.

Hon. Mr. Roebuck: May I ask, would it be too much for the honourable Leader of the Government to table these resolutions and perhaps give them to us in the same form in which we have various letters from the Attorneys General? This is an important matter.

Hon. Mr. Aseltine: I was going to give the exact wording of the resolution passed in September, 1959, at Vancouver, but before I do so I would like to say that in 1955 another letter was received from the President of the Canadian Bar Association.

Hon. Mr. Macdonald: As an individual.

Hon. Mr. Aseltine: Finally, in September, 1959, another resolution was passed by the Canadian Bar Association at its annual meeting in Victoria, in the following words:

> Resolved that the Canadian Bar Association reiterates its recommendation for the compulsory retirement of Superior Court judges at the age of 75 years, and suggests that the question whether Parliament has under the British North America Act No. 2, 1949, power to amend the Constitution of Canada to so provide be submitted to the Supreme Court of Canada.

That is what I was referring to before.

Hon. Mr. Roebuck: May I be permitted to say that I think we have the right, when references are made to documents of this nature, to ask that they be tabled. If I am not mistaken, Bourinot states that any senator has the right to demand that such documents be tabled. I now request that all of these documents be tabled.

Hon. Mr. Aseltine: I will do my best, but I do not know whether I can table them or not.

Hon. Mr. Roebuck: I am asking not that they be tabled at this moment, but some time after this sitting.

Hon. Mr. Macdonald: I think my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) wants more than to have them merely tabled. I believe he would like them to appear in *Hansard*.

Hon. Mr. Roebuck: Or to be made available to us in the same way that the letters from the Attorneys General were.

Hon. Mr. Aseltine: I am not quoting from any letters. It is only when I am quoting from a letter that I have to table it when asked to do so.

Hon. Mr. Roebuck: When you state the substance of a letter we have a right to the text of it.

Hon. Mr. Aseltine: As I understand the rule, it is only when I quote from a letter that I have to table it, if requested. But I will do the best I can to please my honourable friends.

Hon. Mr. Roebuck: That will be satisfactory.

Hon. Mr. Aseltine: I should like to say that the motion with respect to this matter has been on the Order Papers of both houses of Parliament since January of this year, and I for one have not received any objection or protest from any source whatsoever.

Honourable senators, legislation has also been passed in the United Kingdom intituled the Judicial Pensions Act, 1959. I have a copy of that act here.

Hon. Mr. Macdonald: May I ask my honourable friend if that legislation is compulsory so far as the judges who were holding office when the act was passed?

Hon. Mr. Aseltine: If the honourable senator will be patient I will read to him section 2(1) of the Judicial Pensions Act. It states:

> A person who holds an office listed in the First Schedule to this act shall vacate that office on the day on which he attains the age of seventy-five years.

That applies to the Lord of Appeal in Ordinary, the Lord Chief Justice, the Master of the Rolls, the President of the Probate Divorce and Admiralty Division, and so on.

Hon. Mr. Macdonald: Would my honourable friend be good enough to read section 3 of that act?

Hon. Mr. Aseltine: That is an option section.

Hon. Mr. Croll: Well, would the honourable leader read it?

Hon. Mr. Brunt: You read it.

Hon. Mr. Macdonald: I think my honourable friend the Leader of the Government wants to be fair about this. He has referred to the United Kingdom Judicial Pensions Act, and surely he will not object to reading another section. I suggest he should read section 3. I do not mind if he does not wish to read it now, for I intend to read it when I speak.

Hon. Mr. Brunt: That is fair enough.

Hon. Mr. Aseltine: That is quite all right.

Hon. Mr. Croll: What is in the section that is so prohibitive?

Hon. Mr. Aseltine: Honourable senators, I am almost through with my explanation, if you will allow me to finish. These are only preliminary remarks and I will have something to say later on, if any opposition appears. I trust, honourable senators, that this motion will meet with the unanimous approval of the Senate.

Hon. Mr. Reid: It is nice to hope.

Hon. Mr. Aseltine: In my opinion, legislation of this kind is long overdue, and will be welcomed by the great majority of the people of Canada. I submit that public opinion is strongly behind this bill.

Before I conclude, I wish to say that one of my colleagues, when he speaks later on, will be moving an amendment to change the date when the act would come into force to the first day of March 1961. This change would give the Parliament of the United Kingdom more time to deal with the matter.

Honourable senators will have noted that on the Order Paper of the other place there is a resolution to make changes in the pension provisions affecting all judges, including those whose retirement becomes automatic by virtue of their reaching or having reached the age of 75 years. This is complementary to the matter referred to in the motion which I have just been discussing, and that is the reason it is being introduced at this time.

Hon. Mr. Roebuck: May I ask the honourable senator a question? To begin with,

would it not be well to hold up this bill until we have seen the other one?

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Aseltine: I may say the Minister of Justice telephoned me just before I came into the chamber and said that he intended to introduce the resolution in the other house at 8 o'clock this evening; so that long before this debate is over we shall have all the details of that other bill.

Hon. Mr. Roebuck: That is satisfactory, so far as that question is concerned. There is another question, however, that is bothering me a great deal. In fact, a number of questions are bothering me, but there is this one in particular. As I understand the honourable senator's remarks—

Hon. Mr. Macdonald: Are you making a speech now?

Hon. Mr. Roebuck: No, I am only asking a question. As I understand the honourable senator's remarks, the County Court judges and District Court judges are to be included with the Supreme Court judges in the requested amendment to the British North America Act, so that in future, if I understood the honourable leader correctly, it will be necessary, if we wish to change the retirement ages of the County Court judges, to ask the Parliament of Great Britain to do it. Is that right, and if so why?

Hon. Mr. Aseltine: I think the honourable senator knows as well as I do that in 1912 an act was passed fixing the retirement ages of County Court and District Court judges at 75, and ever since that time there has been some doubt in the minds of constitutional lawyers as to whether or not it should have been done in that way. Many contended that it should have been done by an amendment to the British North America Act, and the only reason why District and County Court judges are included in this motion is so that the doubt may be removed.

Hon. Mr. Macdonald: Did I understand the honourable gentleman to say that he expects to have an amendment to the British North America Act which will enable the Parliament of this country to amend the act without going to the United Kingdom? If that is so—

Hon. Mr. Aseltine: I did not say that at all.

Hon. Mr. Macdonald: Well, I understood him to make a statement like that.

Hon. Mr. Aseltine: No, no, I never said anything like that.

Hon. Mr. Macdonald: Then why the urgency? There is certainly a feeling in this country that Canada should be empowered to amend its own constitution, and if that is so why are we enlarging the powers of the imperial Parliament by including the County Court judges in this proposed amendment?

Hon. Mr. Aseltine: I am not inclined to answer a question of that nature. It is argumentative from the beginning, and my friend knows it. Attempts have been made along this line ever since 1903, and we are not getting any further with it.

Hon. Mr. Macdonald: To bring in the County Court judges?

Hon. Mr. Aseltine: No, no.

Hon. Mr. Roebuck: It was the County Court judges that I was referring to. If it is merely desired to resolve a doubt concerning them, would it not be better to apply to the Supreme Court of Canada for an answer, rather than put this thing beyond our control by going to the imperial Parliament?

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

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-456, for the relief of Raymond Faucher.

Bill SD-457, for the relief of Alexander Bleziotis.

Bill SD-458, for the relief of Ralph Gatis.

Bill SD-459, for the relief of Diana Elizabeth Wilson Ronalds.

Bill SD-460, for the relief of Parthenope Eftichidou Economou.

Bill SD-461, for the relief of John Edward Anderson.

Bill SD-462, for the relief of Claire Viger Marcil.

Bill SD-463, for the relief of Denis Claire Lescarbeau Sarroino.

Bill SD-464, for the relief of Carlyn Louise Atwood Leslie.

Bill SD-465, for the relief of Sophia Kaloutsky Kachur.

Bill SD-466, for the relief of Rosaire Armand Falardeau.

Bill SD-467, for the relief of Philippa Osler Day.

Bill SD-468, for the relief of Mary Rebecca Pittman Lawrence.

Bill SD-469, for the relief of Frances Cohen Salsky.

Motion agreed to and bills read third time and passed, on division.

OLD AGE SECURITY BILL

THIRD READING

Hon. Olive L. Irvine moved the third reading of Bill C-63, to amend the Old Age Security Act.

Hon. Joseph A. Sullivan: Honourable senators, may I say first that I enjoyed the repartee among the members of the legal profession when the previous motion was discussed.

Secondly, I compliment the honourable senator from Lisgar (Hon. Mrs. Irvine) upon the brevity and clarity with which she so ably explained and presented this bill.

Honourable senators, I rise in my seat for two reasons: First, it is only natural that a physician, a medical man, would support this bill to the full, not in the guise of socialism or of state welfarism, but in the true sense of humanity.

Secondly, particularly do I wish to make a few remarks on account of what was said, pertaining to the ennobled profession to which I belong, by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) last Tuesday evening.

The Canadian Medical Association met at Banff, Alberta, last week, and at the very moment that the honourable senator from Toronto-Spadina was speaking the Council of the Canadian Medical Association brought forth its resolution. However, honourable senators were informed in this chamber of the remarks by the Secretary of the Canadian Medical Association, Dr. A. D. Kelly, which remarks were quoted from the Toronto *Daily Star,* a newspaper which has been most vitriolic and scurrilous in its attack on the medical profession in this country. Why, I do not know. The president of that newspaper went to prep school with me and I know him very well. Secondly, the managing director has been a patient of our office.

Before I proceed with the statement of the honourable senator, I would bring to his attention the fact that he had the privilege of listening to, and I had the signal honour of introducing, Dr. Wilder Penfield, at a parliamentary luncheon here about two weeks ago. What did Dr. Penfield say? Bear his remarks well! He wanted controls of no kind, whether they pertained to education or anything else. And he illustrated that beautifully in a magnificent address. There was a great brain talking, the inner working of the supremely balanced intelligent man. But, I will not confine my statement to a medical man of his international reputation: I will go to the legal profession.

Sir Hartley Shawcross of England, speaking before the Society of the Fellowship for Freedom, stated:

> The objects of the welfare state tend to become the components of the statistical total, rather than human beings, with complex and infinitely different personalities.

The honourable senator, after quoting his remarks from the Toronto *Daily Star,* found out next morning that he had been a little premature in his final diagnosis. The resolution introduced at the Canadian Medical Association on Tuesday, June 14, and unanimously passed, stated:

> The Canadian Medical Association believes that a single Government-controlled scheme of medical care is not the answer to our problem. The association will support any program of medical services insurance which adheres to certain specific principles and it outlined them in detail.

I will allow honourable senators to draw their own conclusion.

But let us proceed a little bit further. The honourable senator quoted the report of a committee of the National Health Service in Great Britain, which recently has been published, and he stated:

> The committee found that after five years of operation of the service, the *per capita* outlays were about the same as when it was established and that costs as a percentage of the Gross National Product were declining; so the project received full support and there is no longer a political question in that country.

Here is the report of the royal commission on doctors and dentists, 1957-1959. One of the members of that committee was the learned John Jewkes, Esquire, Commander of our Most Excellent Order of the British Empire, Professor of Economic Organization in the University of Oxford. What does he say? At page 159 he says:

> I regret that I am not able to sign the report.

What is the true picture of the national health scheme in England? Here it is. In Great Britain, in 1942, the cost of the national health service plan was estimated to be £70 million a year. Actually it cost £170 million that year. For 1958 the cost was running to almost £700 million. With allowances for population and price increases, this is still almost two and one-half times the original estimate. I think that answers that particular statement.

Now, let us go to Saskatchewan. The Honourable Walter J. Erb, Saskatchewan Minister of Public Health, in addressing the Saskatchewan Hospital Association in October 1959, indicated the concern of his Government that overuse of hospital facilities was adding to the cost of the provincial

hospital plan. Mr. Erb indicated the plan cost the province around $5 million in 1948 and the cost for 1959 was expected to exceed $33 million. The honourable senator states that the vote in Saskatchewan was a clear indication for the adoption of state medicine. From a population of 800,000 people, half the size of Montreal or Toronto, what do we find? The only promise of state medicine in the Saskatchewan election came from the Douglas Government. Four Saskatchewan voters out of ten cast their ballots for the Douglas Government; six Saskatchewan voters out of ten cast their ballots against the Douglas Government. We do not know, nor does anyone else, to what extent state medicine influenced the casting of ballots; but if state medicine did influence the balloting, if state medicine was the issue, then Saskatchewan voted against it by six to four. Where is that province going to get the money? From Quebec and Ontario. Saskatchewan is the province that has, or at any rate it states that it is going to have, a comprehensive scheme of medical care. Ontario and Quebec cannot afford any such luxury; indeed, they cannot afford the sheer necessities. As matters now stand pertaining to the province of Ontario, there is a gap of $125 million a year between what Ontario can do and what Ontario ought to be doing in the way of essential services. In other words, both Quebec and Ontario pay abundant taxes so that Saskatchewan can enjoy abundant living. These two provinces scrape and pinch and do without so that Saskatchewan can spend high, wide and handsome on medical schemes, on low-cost housing projects, on providing farmers with indoor plumbing.

The doctor-patient relationship may most simply be described as a request from the patient for help, with the assumption by that patient of an obligation to reimburse the doctor. The Government—this is Saskatchewan—in its proposed plan, enters this relationship, not in the area of responsibility of the physician to the patient, but in the area of the responsibility of the patient to the physician. The Government literally removes that individual responsibility and becomes a monopoly for the employment of physicians. I ask my honourable friend if he would like that to apply in principle to the legal profession of this country. The honourable senator from Kingston (Hon. Mr. Davies), speaking in England the other day, was very much concerned about the restriction of freedom of the flow of news and information. I am quite sure that he would concur, if he were here today, on how physicians would feel on restriction as a result of a monopoly by government.

Just a few more words on this Government control compulsory prepaid medical care plan for Saskatchewan. What are the actual facts? At present, two thirds of the population, or some 655,000 people, have prepayment protection or some other form of health insurance as follows: 320,000 are in medical plans; 175,000 are in municipal doctor plans; 60,000 under commercial carriers; 50,000 under the Swift Current health region; 30,000 under the Old Age pension and Mothers' Allowances and 20,000 under social aid; in addition there are those who pay direct or receive care from the Department of Veterans Affairs. A survey of general physicians' medical accounts shows that only 9.6 per cent of the accounts were not paid in 1959. This represents all those who didn't, couldn't, or wouldn't pay. Everybody, however, received their care.

The Government wishes to appear beneficent and stresses only the appeal of the unfortunate. From the time of Bismarck to the present day that has been the appeal, and the doctor is the first man to admit that such a group does exist. Since medicine began, it has been the privilege of the profession to care for the illness of this group, and I speak from thiry years of practical experience, giving them the best care that medicine could provide without thought of recompense. Indeed, it is well known that the out-patient departments of our city hospitals have been brought to the highest quality of medical care obtainable anywhere, for this group.

This plan, in my opinion, is nine parts evil to one part sincerity and it is a procedure which may be an advance in the field of vote getting, but it would be a complete failure in medical research, medical practice and surgical practice. In an article written in the *Canadian Catholic Register* a few weeks ago, I stated:

> The remedy for this creeping socialism must come from Canada's youngsters; if they can learn that nothing comes easy in life, that they shouldn't be spoon fed by the federal Government or any other Government, that if they work hard they will be successful, well, then this country will survive. If our children, yes and its citizens will grasp the idea that their real security is found in their hearts and hands instead of in fringe benefits and the so-called compensation of the welfare state, then they and our nation are secure against communism.

Finally, as the honourable senator from Medicine Hat (Hon. Mr. Gershaw) said in this house a few weeks ago, this country does not need state medicine. To doctors, regimentation is regimentation, whether it is imposed by the Government, by labour unions, or by an insurance industry. They genuinely believe that this unfortunate trend will ultimately impair the quality of patient care. They believe that free enterprise, the profit

motive and competition are as much in the public interest when applied to doctors as they are when applied to any other segment of the economy. They believe that by working with all groups they can help stem the tide toward paternalism and the welfare state. They recognize and are proud of the fact that their primary mission is the service of humanity.

Yet they believe that the financial rewards of their work should be commensurate with the tangible and intangible value of the service they give when the means exist. When the means actually do not exist, they will continue, as they always have, to give their services for less than their actual value, or for nothing. They believe that their willingness to do this should not be construed as total unworldliness subject to any imposition. They are a numerical minority in a changing world that demands more and more of them and yet offers proportionately less and less in return. They are not as intransigent as they are made out to be. They are glad to work in good faith with anyone who joins with them for the benefit of their first concern, their patients. They suspect, with some justification, that their good will and conscience are being exploited and they consider this neither necessary nor desirable. They recognize their imperfections and shortcomings and they know that the unscrupulous few among them have tended to give a bad name to them all. They do not think that this is a reason for destroying a whole edifice which, imperfect though it may be, has been built in the interests of humanity. Democracy, in endeavouring to pull down all, may pull down one of its most valuable possessions. It would be difficult to rebuild it. Let it be preserved, improved and strengthened.

Honourable senators, I am in complete support of this bill.

Hon. Thomas Reid: Honourable senators, I rise to make a few remarks before the passage of Bill C-63, and to deal with one or two questions which arose when the bill was in committee and which are not on the record of this house at the present time.

Many of us who attended the committee were a little disappointed that no cabinet minister was present to answer certain questions. It is true that there were two highly qualified and skilled servants of the Government there, and with their presence we found no fault, but there were one or two questions we raised with regard to matters of policy which should have been answered by a minister, and which the officials could not answer. A question was asked one of the officials with particular reference to the matter which I am now raising, and I am placing it on the record of Parliament so that all who run may read. This question was asked with respect to section 3 of the bill: Is it possible for a person who lived in this country 25 years after he became 21 years of age, and left the country, to obtain the old age pension of $55 a month when he returns to the country? The answer was yes.

I should like to point out to honourable senators just where this situation leads us. Before coming down to the chamber tonight I looked up the record of the number of people leaving Canada. I learned that from 1950 to 1957 some 253,337 Canadians left Canada for the United States, and that during those same years 35,072 Canadians returned to Canada, leaving 218,265 Canadians in the United States. Those figures, as I say, apply to a period of only seven years.

Hon. Mr. Roebuck: Could the honourable senator give us the figures of the reverse situation? How many citizens of the United States came to Canada during that period?

Hon. Mr. Reid: I do not think those figures are available or are a matter of record. It is worth remembering that the figures as to the returning Canadians come from official records of the United States. Apparently we have no official record of the number of Canadians returning from that country. It is so stated in the *Canada Year Book* for 1958.

Hon. Mr. Roebuck: Do we not have the immigration figures?

Hon. Mr. Reid: We have the figures as to the number who migrate to the United States, but we do not have the number who emigrate from that country. Therefore, we have to rely on the United States figures as to the number of Canadians returning to this country, and I have given the figures.

Hon. Mr. Pearson: May I ask a question? Were the Canadians who returned some of those who left Canada during that seven-year period?

Hon. Mr. Reid: We do not know. It would take a great deal of research to find out who the persons were and whether they went back and forth between Canada and the United States during those years. All we have to go on are the bare figures given to us in the *Canada Year Book*. As to who left the country and who returned, they may or may not have been the same persons. An honourable senator sitting nearby just tells me that he asked the same question of one of the directors and was told that there are no figures available in answer to that question.

As I came along the corridor leading to the Senate chamber tonight I spoke to an official who remarked: "Am I ever glad to hear about this bill! I have written to my sister who lives in New York. She can now come back here, pick up her pension and return to live in the United States." I predict that the parade will start just as soon as the effect of this bill becomes known. That is one of the reasons I would have liked the minister to be present in committee, to ask him whether he had gone into this specific question. Naturally, we could not blame the officials for not informing us, because they were acting under the minister.

Some people may think that I am against social security. I am not. But I can see many things that could be done for the betterment of our people other than handing out pensions to those who are going back to live in the United States or some other country and spend Canadian funds. That spending is a dead loss to this country of money which has been raised from the Canadian people. I refer particularly to persons who stay out of the country for 25 years and then come back in. Will anyone say that a person who has been out of the country for 25 years has contributed anything at all toward the pension which we are going to give him? Personally, I would rather have seen the Government do something for the blind and disabled persons of this country, perhaps give them an old age pension of $55 a month at the age of 60 or 65 years. I am one who believes in providing bread to all rather than cake to some. Hence, I express my objection to section 3 of the bill.

Motion agreed to and bill read third time and passed, on division.

ESTATE TAX BILL

SECOND READING

The Senate resumed from Thursday, June 16, the adjourned debate on the motion of Hon. Mr. Thorvaldson for the second reading of Bill C-65, to amend the Estate Tax Act.

Hon. Salter A. Hayden: Honourable senators, I do not propose to deal with many of the provisions of this amending bill. I intend to confine myself to three sections which I think are rather important. Most of the other sections have to do with the sort of thing that inevitably occurs when we have a piece of new legislation or a codification of existing law, in the working out of which it becomes inevitable that changes must be made to meet the situations in practice.

I propose to refer to sections 1, 2 and 6 of the bill. I refer to section 1 because the sponsor of the bill (Hon. Mr. Thorvaldson) in his explanation suggested that the purpose of the introduction of the amendment was to plug a loophole which had been found to exist in the estate tax law. If what this does is plug a loophole, then there is certainly a completely new definition of "loophole", so far as I am concerned. What this amendment does is deal with a situation where in the course of employment an employer protects an employee by a policy of insurance on his life, the proceeds of which may be payable to the wife or the children of the employee. This section provides that in those circumstances, the proceeds of that policy shall be included for the purpose of determining the aggregate value of the estate of the employee when he dies.

I must assume, from what the honourable sponsor of this bill said, that this sort of thing is not covered by the provisions of the Estate Tax Act as it presently exists. I think, possibly, that is true, because when I examine the provisions of the act on this point I find in the various situations that are covered there is some interest by the employee in the proceeds of the policy. The policy may be payable to the estate; the policy may be a policy which, although it is payable to a trust, is payable to a trust over which he has some control; or it may be a policy in which he shares with others some interest. But, as far as I can see, this amendment is an extension of a principle which is found in the existing law reaching out to cover in another aspect all possible assets to be included in the estate of the deceased person.

I throw out this suggestion, that if the law is intended, or is to be made, to reach out and gather in for estate tax purposes the proceeds of an insurance policy in such a situation, then the proceeds should be looked at more in the light of a gift, and the only portion of the policy that should be brought into the estate for purposes of value for estate tax should be the portion that can be related to the last three years of the person's life, because such a policy may be in existence for a number of years. If the employee were given money in that period, or if the employee were even contributing money in that period, he would qualify under the gift provision. If he is regarded as having some interest, my difficulty is in appreciating what interest he may have, because certainly the widow could sue the insurance company for the proceeds of the policy and could collect in that action, but the estate nevertheless would have to pay the estate tax. I may be exaggerating when I say I can conceive of a

situation where the proceeds, when added to the estate for tax purposes, might raise the valuation of the estate to such an amount that by payment of the tax the estate itself would be impoverished.

Hon. Mr. Roebuck: Or obliterated.

Hon. Mr. Hayden: Well, you can use whatever word is strong enough to indicate that there would not be any cash left.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Hayden: I want next to deal with section 2. Section 2, generally, is designed to cover in a different way a situation that is presently covered in the estate tax law, and that is the situation where a man in his lifetime will part with some portion of his assets in return for an agreement or an undertaking to pay him an annuity at a stated amount for the balance of his life.

Section 4 (2) of the present Estate Tax Act applies where a person transfers property —and generally the transfer is to someone in his own family—in return for an annuity to be paid to him. Under the present law, and even under the law as it will be when this amendment is passed, if the annuity paid does not exceed 5 per cent of the value of the property transferred, there is deemed to be no consideration. But, if the annuity exceeds 5 per cent of the value of the property transferred the original section 4 (2) (b)—that is the present law—deemed the consideration to be the amount by which the capitalized value of the annuity exceeded the capitalized value of a 5 per cent payment. Under the present law the difference between the property transferred by such a person in exchange for the annuity and the deemed consideration which is received in the form of the annuity was to be included in the aggregate value of his estate.

The change which takes place in this proposed amendment, as I indicated, does not change the situation where there is no difference between the annuity and the deemed consideration. If, however, the annuity exceeds 5 per cent of the value of the property transferred the amendment provides that the payments actually received are added together, less 5 per cent of the property transferred, plus interest on each amount of excess from the time of payment to the date of death. These varying amounts are added together and form the consideration deemed to pass for the transfer of the assets. The property included, when this section becomes law, will then be the property transferred in consideration of the annuity, less the consideration so calculated.

May I give an example? Suppose A transfers to B $100,000 in consideration of an annuity of $10,000, and A lives for ten years. At the end of the first year the excess is $5,000, and the addition of all those excesses in each year is going to make up the sum total of the deemed consideration. So you take that amount of $5,000 at a rate of interest of 5 per cent, and you have to make that calculation for nine years, and then you carry on for each year thereafter until you reach the tenth year. You subtract that amount from the value of the assets which were transferred for that annuity, and the result is the amount that is added to the aggregate value of the estate. It will be seen that this new method results in an increase in the deemed consideration in direct ratio to the number of payments made under the annuity, and in most cases the consideration will be higher under the new provision than under the old.

Hon. Mr. Brunt: You did not work the example right through and give us the ultimate figure.

Hon. Mr. Hayden: No, mainly because I was a bit lazy in putting down the figures for each year, but I am sure my friend will be able to find a moment in which to do it.

Hon. Mr. Brunt: Are you sure that the bill introduced by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) did not confuse you on that?

Hon. Mr. Hayden: Well, my efforts in calculating interest on a simple proposition in that particular case may have worn out my ability to figure to such an extent that I did not even have the inclination to figure out this one.

The other item I propose to refer to is section 6, which deals with situs of property. Section 6 of the bill provides for two amendments. Both section 6 (1) and section 6 (3) relate to the new provision that, for provincial purposes, where no rules of situs exists for any property it is deemed situate where the deceased died domiciled. These amendments relate to section 9(8) of the present Estate Tax Act, and that section has to do with credits or deductions that you may take on account of provincial taxes.

We can eliminate right away section 6(2), because it is within its own little compartment. It has added the words "for the transfer thereof" to the section as it presently exists. That particular subsection 2 does not change the present rule but further delineates it.

Under the present provision shares and debenture stock are situate in the province of domicile if the corporation maintains a register of transfers there or otherwise where the register of transfers nearest—that is, nearest geographically—to the place where the deceased was ordinarily resident.

The added words in section 6(2) of the bill specify that it must be where the shares of the class held by the deceased could be transferred, and not just where the corporation maintained a register of transfers. It must be in relation to the particular shares.

Just to illustrate, let us say that A dies and is resident in Toronto and has preferred shares in the XYZ Company. There are transfer offices in Toronto and in Montreal, but the Toronto office does not deal with preferred stock. It was considered under the original section that the situs would be Toronto, but the change makes the situs Montreal.

A new paragraph (e) in section 6(3) of the bill provides a new rule of situs in relation to the particular matters about which I am going to speak. Where there is no other rule laid down in section 9(8) of the Estate Tax Act as it presently exists, or where the situs cannot be readily determined under existing rules, then the property is deemed to be situate where the deceased was domiciled. Previously, in my view, where no rule existed I suggest that the common law rules would apply, but this new paragraph would appear to make the common law rules completely inoperative so far as provincial situs is concerned. That is in relation to the particular items with which I am going to deal.

Hon. Mr. Burchill: Where would the situs be under the common law?

Hon. Mr. Hayden: The ordinary situs would be where the thing is located.

Hon. Mr. Burchill: Not the domicile?

Hon. Mr. Hayden: No.

Hon. Mr. Roebuck: Is this not an improvement?

Hon. Mr. Hayden: It may or may not be.

Hon. Mr. Brunt: It works both ways.

Hon. Mr. Hayden: I am going to illustrate where, in my view, it falls down. It may have the effect of putting the situs of certain particular rights for provincial credit purposes in a province where there is no provincial tax and therefore no credit to be obtained, yet the thing would have its situs in the province which exacts provincial taxes and would not be able to get the credit.

Hon. Mr. Croll: I am confused. My honourable friend had better start his illustration.

Hon. Mr. Hayden: It is noticeable that in the original section 9(8)(a) most of the rules in section 38 are used, except where there are specific rules laid down by section 9(8) itself. Section 9(8) is the section which deals with provincial credit and the qualifications based on situs which would entitle you to get that credit. Section 9(8) imports into it the rules of situs which are found presently in section 38 of the estate tax law, with two notable exceptions. These are paragraphs (l) and (m) of section 38. For some reason or other they have not been brought into the present section 9(8) of the estate tax law.

Section 38 (l) gives a situs to patents, trademarks and industrial designs where they are registered. Section 38 (m) deals with copyrights, franchises, rights or licences and considers them situate where they are exercisable.

It is not known why these forms of property were omitted, why they were excluded from section 9 (8) (a), when all other rules of situs were brought into section 9 (8) in the present law. There are other forms of property which might come within the descriptions which I have read from paragraphs (l) and (m); for instance, goods on ships where there is a bill of lading, dower and courtesy; and there may be other forms of property I do not think of at the moment.

I must admit it is not every day in the week that somebody dies possessing a patent or copyright, but these cases do occur, just as many other cases occur. The rule may be intended to be one of convenience rather than of law, but it would appear to me that by putting this section 6 (3)(e) in the bill and providing a new paragraph (e) in section 9 (8) of the Estate Tax Act, if any dispute arises between the estate and the department with respect to situs the department might very well say, "Since there is some doubt we will invoke this paragraph (e) and say that the situs is where the deceased died," because section 6 (3) (e) says:

> property for which no specific provision is made in any other paragraph of this subsection, or the situs of which, determined as provided therein, cannot with reasonable certainty be identified, shall be deemed to be situated in the place where the deceased was domiciled at the time of his death;

Since the honourable senator from Toronto-Spadina (Hon. Mr. Croll) likes illustrations, let us take the following. If A is domiciled in Alberta and has a patent registered in Ontario, Ontario will levy duty because that is an asset in Ontario, but this amendment, when it becomes law, so far as the dominion authority is concerned, will say that the patent is situate in Alberta and therefore there is no provincial tax credit applicable.

Whether this has been thought out and a decision has been made to incorporate this provision as a matter of convenience, I do not know. The field may or may not be large, but I can conceive that individual cases may be reasonably large in number, and therefore what I suggest is that we certainly should have a full explanation as to why the provisions of paragraphs (l) and (m) of section 38 were not imported into the provincial tax credit sections when the statute was originally enacted and why we now have the situation where it would appear that the situs of such rights is going to be where the deceased person was domiciled at the time of his death. The full effect may not have been traced through, but if it has been we are entitled to know the reason why before we give our assent to something of this kind.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, for Hon. Mr. Thorvaldson, bill referred to Standing Committee on Banking and Commerce.

INTERNATIONAL BOUNDARY COMMISSION BILL

SECOND READING

The Senate resumed from Thursday, June 16, the adjourned debate on the motion of the Hon. Mr. Blois for the second reading of Bill S-35, respecting the International Boundary Commission.

Hon. W. Ross Macdonald: Honourable senators, first of all, I wish to thank the honourable senator from Ottawa (Hon. Mr. Lambert) for adjourning this debate for me on Thursday last. Since it was impossible for me to be present, I asked him if he would be good enough to do so. As I am aware of his keen interest in the happy relations existing between Canada and its neighbour to the south, I knew he would be present on that day to follow the debate here. He told me that the honourable senator from Colchester-Hants (Hon. Mr. Blois) had given an excellent presentation of this bill. I have subsequently read the speech delivered by the honourable senator on that occasion, and I would recommend its reading to anyone who was not able to be present last Thursday. The honourable senator explained to the house that there are about 5,500 miles of border across Canada, and that along that border is an area of 20 feet which he described as a skyline vista, a strip which is not land in all instances, because in some cases it is under water. However, the strip of 20 feet extending 5,500 miles across Canada can be followed as the border between our two countries. The honourable senator stated that aerial photographs had been taken from great heights showing this strip across our country. He also explained to the house—and I am repeating something of what he said in order to arrive at my own few remarks—that all disputes between Canada and the United States had been settled by 1903, since which time there have been no disputes between our two countries. He emphasized, and I can only repeat what he said, that since the war of 1812 there have not been any forts, guns or defences of any kind between our two countries, and that the only distinguishing marks between them in most cases are customs houses. We have lived all these years in peace, and I have no doubt we shall continue to live in a similar happy condition throughout the many years that lie before us.

In 1908 a treaty was arrived at between Canada and the United States whereby it was agreed that the boundary line between the two countries would be surveyed and boundary marks set up. The honourable senator informed us that it took from 1908 to 1925 to complete the surveying of that area, and when it was completed, in 1925, another treaty was entered into. It is to that treaty that this bill refers. The treaty provided that the two countries would keep the boundary vistas open; they would move boundary monuments to new sites and establish such additional monuments and buoys as they deemed desirable; they would maintain at all times an effective boundary line between the dominion of Canada and the United States and between the dominion of Canada and Alaska, and so forth.

Honourable senators, I do not wish to read the whole treaty, but I think it would be of interest if I placed on *Hansard* article IV of the treaty of 1925, which sets out the arrangements in the agreement entered into between Canada and the United States with respect to the permanent establishment of this boundary line. With the consent of the house, I would therefore include this document in *Hansard*.

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Macdonald: Thank you.

TREATY OF 1925

Article IV

Whereas, pursuant to existing treaties between Great Britain and the United States, a survey and effective demarcation of the boundary line between the Dominion of Canada and the United States through the Great Lakes and the St. Lawrence River and through the Straits of Georgia, Haro, and Juan de Fuca from the 49th parallel to the

Pacific Ocean and between the Dominion of Canada and Alaska from the Arctic Ocean to Mount St. Elias have been made and the signed joint maps and reports in respect thereto have been filed with the two Governments;

And whereas a survey and effective demarcation of the boundary line between the Dominion of Canada and the United States from the Gulf of Georgia to Lake Superior and from the St. Lawrence River to the Atlantic Ocean and between the Dominion of Canada and Alaska from Mount St. Elias to Cape Muzon are nearing completion;

And whereas boundary monuments deteriorate and at times are destroyed or damaged; and boundary vistas become closed by the growth of timber;

And whereas changing conditions require from time to time that the boundary be marked more precisely and plainly by the establishment of additional monuments or the relocation of existing monuments;

The contracting parties, in order to provide for the maintenance of an effective boundary line between the Dominion of Canada and the United States and between the Dominion of Canada and Alaska, as established or to be established, and for the determination of the location of any point thereof, which may become necessary in the settlement of any question that may arise between the two Governments, hereby agree that the commissioners appointed under the provisions of the treaty of April 11, 1908, are hereby jointly empowered and directed: to inspect the various sections of the boundary line between the Dominion of Canada and the United States and between the Dominion of Canada and Alaska at such times as they shall deem necessary; to repair all damaged monuments and buoys; to relocate and rebuild monuments which have been destroyed; to keep the boundary vistas open; to move boundary monuments to new sites and to establish such additional monuments and buoys as they shall deem desirable; to maintain at all times an effective boundary line between the Dominion of Canada and the United States and between the Dominion of Canada and Alaska, as defined by the present treaty and treaties heretofore concluded, or hereafter to be concluded; and to determine the location of any point of the boundary line which may become necessary in the settlement of any question that may arise between the two Governments.

The said commissioners shall submit to their respective Governments from time to time, at least once in every calendar year, a joint report containing a statement of the inspections made, the monuments and buoys repaired, relocated, rebuilt, moved, and established, and the mileage and location of vistas opened, and shall submit with their reports, plats and tables certified and signed by the commissioners giving the locations and geodetic positions of all monuments moved and all additional monuments established within the year, and such other information as may be necessary to keep the boundary maps and records accurately revised.

After the completion of the survey and demarcation of the boundary line between the Dominion of Canada and the United States from the Gulf of Georgia to Lake Superior and from the St. Lawrence River to the Atlantic Ocean, as provided for by the treaty of April 11, 1908. The commissioners appointed under the provisions of that treaty shall continue to carry out the provisions of this article, and, upon the death, resignation, or other disability of either of them, the party on whose side the vacancy occurs shall appoint an expert geographer or surveyor as commissioner, who shall have the same powers and duties in respect to carrying out the provisions of this article, as are conferred by this article upon the commissioner appointed under the provisions of the said treaty of 1908.

The contracting parties further agree that each Government shall pay the salaries and expenses of its own commissioner and his assistants, and that the expenses jointly incurred by the commissioners in maintaining the demarcation of the boundary line in accordance with the provisions of this article shall be borne equally by the two Governments.

Honourable senators, that treaty of 1925 was approved by a resolution of this house at that time. However, as honourable senators know, a treaty or a convention binds the subject, that is, any individual or a corporate body, in so far as it or the principles embodied in the treaty or convention have been embodied in legislation. Thirty-five years have elapsed since the treaty of 1925, and it has not been embodied in our legislation, and now the bill is presented to us in order to give the treaty legislative effect.

Now, it might be asked what happened in the United States? Well, in the United States a treaty with another country must be ratified by the Senate, and when it is ratified it becomes binding upon the subject. The position, therefore, has been that throughout these 35 years the treaty has been effective completely in the United States, but not so in Canada.

The question I ask is—and if the honourable senator who introduced the bill (Hon. Mr. Blois) does not feel free to answer it, I trust it will be answered when the bill goes to committee—Why is it now, after 35 years, found necessary to implement this treaty by legislation? Apparently we have had no trouble along the border for the past 35 years. Or has there been some trouble which we have been able to get around? It may be so. Or it may be that some trouble is anticipated. In any event I feel we should know why the bill is coming along at this time, why it did not come along ten years ago or twenty years ago. What is the reason for bringing it in now?

Hon. Fred M. Blois: Honourable senators, may I answer the honourable Leader of the Opposition (Hon. Mr. Macdonald)?

From the information I was able to gather, as our population is increasing particularly near the borderline, near the skyline vista that I referred to, there are at the present time, as I mentioned in my remarks, buildings actually on the boundary line itself. Within the last few years efforts have been made to put additions on existing buildings. Now, the commissioners, that is the Canadian and American commissioners working together, have, by personal pleas, been able to argue people out of doing this. But, honourable senators, there is some fear that where there is no legislation backing this up

this matter will some day go further. And not only that, but it might happen, as I believe it has in the past, that a number of buildings, such as garages or stores, would be erected on the border itself and spoil the vista that we are trying to keep open. All that is being sought by this bill is appropriate legislation to control such activities. As the honourable Leader of the Opposition (Hon. Mr. Macdonald) has just suggested, when this matter comes before the committee we could have the appropriate officials present to explain it thoroughly.

Hon. Mr. Macdonald: I thank the honourable gentleman for his explanation. I think he has given a reasonably complete explanation, but I was a little concerned as to just where this trouble might arise, in what parts of Canada. Apparently there has not been much difficulty in the past, though from what he has just said it appears that some problems have arisen, and it is expected that others might arise in the immediate future.

In any event, I feel that the legislation is very desirable. I think it is unfortunate that over all these years the treaty, which, has been completely effective in the United States, has not been effective so far as Canada is concerned. I should think that would put the commission in a very difficult position.

After this legislation has been passed by Parliament, both Canada and the United States will be in the same position so far as the treaty is concerned. I have no hesitancy in endorsing the bill completely.

Hon. Mr. Roebuck: Honourable senators, may I ask the honourable sponsor (Hon. Mr. Blois) a question? He has stated that for more than a hundred years the only offensive and defensive establishments that exist on the international boundary are custom houses. Is it not about time we got rid of them?

Hon. Mr. Hayden: Honourable senators, I was wondering if the honourable senator who sponsored the bill (Hon. Mr. Blois) would give us a little more information.

I notice that the scheme of this bill seems to be to enable the commission to exercise control over the boundary, to maintain and erect boundary monuments, and to remove any unauthorized works and things of that kind. I also notice that the definition of boundary in the definition section means the international boundary between Canada and the United States of America as determined and marked by the commission. I find that to be the definition, but I do not find in the operative part of the bill any specific authority to establish a boundary. I see there is authority to enter upon and pass over the land of any person in order to gain access to the boundary or to survey the boundary, but on what basis does the commission make a determination of the boundary? Or is the boundary established by other authority and administered by the commission?

Hon. Mr. Blois: I think if the honourable senator refers back to the treaty of 1908 and also to that of 1925 he will find the boundary was laid down some time ago, and the commissioners are only given authority to see that the boundary and the boundary monuments are maintained. This matter was straightened out prior to the appointment of the commissioners.

Hon. Mr. Hayden: Then I wonder why the definition of boundary is framed in the way it is, because it definitely means the international boundary between Canada and the United States of America and its determination by the commission. From my honourable friend's speech on explaining the bill and from what has been said here tonight, I would rather think that the commissioners do not determine the boundary at all, but that it has already been determined and they are simply put in charge to administer it.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Blois, bill referred to Standing Committee on External Relations.

CRIMINAL CODE (CAPITAL PUNISHMENT) BILL

BILL WITHDRAWN

On the order:

Second Reading of Bill S-6, intituled: "An Act to amend the Criminal Code (Capital Punishment)".—(Honourable Senator Croll).

Hon. David A. Croll: Honourable senators, when I introduced this bill on January 20 and it received its first reading. I said:

> Honourable senators, the purpose of this bill is to abolish capital punishment. This bill is identical with a bill which is now before the other house and which at two other sessions has been talked out there. I feel it is time that Parliament spoke out on this human problem. When the bill is called for second reading I intend to ask that it stand to await progress of the House of Commons bill.

The House of Commons has provided extra time for discussion and debate, and is likely to provide even more time at this session.

In those circumstances, at this late stage in the session, I ask permission to withdraw this bill. I just say that if the bill in the other place is not finally acted on I will be back again with my bill next year, when the problem will still be a live one.

Some Hon. Senators: Agreed.

On motion of Hon. Mr. Croll, bill withdrawn.

BUSINESS OF THE SENATE

On the order for resuming the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate the desirability of reciprocal agreements with the Twenty-Nation group.

Hon. Mr. Wall: Stand.

Hon. Mr. Aseltine: Honourable senators, I was hoping that the honourable senator from Winnipeg (Hon. Mr. Wall) would proceed with his remarks on this order tonight. We have a great many Government bills on the Order Paper which I would like to have advanced to the head of the list.

Hon. Mr. Croll: No.

Hon. Mr. Aseltine: I shall ask that the order for the second reading of Bill C-73, to amend the Excise Tax Act, stand until tomorrow, and that it be placed as Order No. 1 on the Order Paper.

Hon. Mr. Croll: No.

Hon. Mr. Aseltine: I intend to make a similar request with respect to Order No. 10 for the second reading of Bill C-74, to amend the Customs Tariff. We have to get these budget bills through.

Hon. Mr. Croll: Then, why not go on with the Excise Tax Bill or with the Customs Tariff Bill tonight?

Hon. Mr. Wall: Honourable senators, since I am the cause of the commotion, may I say that I am now prepared, and have been for some time, to go on with this debate.

Hon. Mr. Croll: Then let us go on with it.

Hon. Mr. Aseltine: I do not know when the honourable senator will get a chance to speak if he does not take the opportunity now.

Hon. Mr. Brunt: Does the honourable senator from Toronto-Spadina (Hon. Mr. Croll) wish the house to proceed with the Excise Tax Bill next?

Hon. Mr. Croll: I do not want anything in particular. I just do not want all of these orders to be placed ahead of my bill.

Hon. Mr. Wall: Honourable senators, if it is agreeable to the house I will proceed now.

Some Hon. Senators: Agreed.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP—DEBATE CONTINUED

The Senate resumed from Wednesday, June 15, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. William M. Wall: Honourable senators, we are indebted to the honourable senator from Shelburne (Hon. Mr. Robertson) for initiating this discussion on our current trade problems, a subject which he has raised on previous occasions. The purpose of this inquiry type of motion is to focus our attention upon the danger signals and challenges that face us as we assess the meaning of external developments in trade in the form of the emergence of Western European trading blocs, in the form of meetings of the Twenty-Nation group, in the form of more stringent competitive conditions upon the world markets for what Canada has to sell, and to relate these to our internal developments, to the increasing foreign control of our economic enterprises, to our own rising costs of production, to our problems with the rising tide of imports, to our high level of unemployment during a period of increasing business activity, to the increase of imports and to other obstacles which are having an impeding effect upon the sale of our products, both at home and abroad. Everyone in this house understands and appreciates the cardinal importance of our current trade problems, and I hope that many more honourable colleagues will take part in this discussion, to give us the benefit of their experience and thoughtful reflections.

Although I am now speaking for myself, I believe that my sentiments will be shared by the majority of my colleagues when I say

how much we appreciated what was to me a most helpful explanation of the honourable senator from Ottawa (Hon. Mr. Lambert) with respect to the broad historical perspective of the high aims and aspirations which governed the evolutionary development of trade relations in the Western world during the past two decades. Because of the honourable senator's wide experience with public problems, the light he shed upon the historical context of international trade relations and the support he gave to this motion were highly significant to me.

Honourable senators, my contribution to the discussion of the problem of the desirability and the growing necessity of entering into reciprocal agreements with the countries of the Twenty-Nation group will not be learned or exhaustive, for I am not an economist and not a particularly good student of trade developments. Approaching the problem strictly as a lay person, I hesitate to do anything more than to explain my concern about two basic problems which do have a bearing upon the inquiry we are considering, namely, how are we to plan and to act so that the Canadian economy may produce more and sell more, not only to Canadians but to non-Canadians, so that there may be more jobs for those who are now unemployed and for those who will be coming into the labour market in ever-increasing numbers, so that our standard of living may be sustained and if possible improved by a steady net growth in our productivity and by a progressive refinement of our application of the principles of distributive justice.

By we, I mean all levels of government, all public and private economic enterprises, and each and every Canadian, for we are all concerned and we are all involved in answering some very difficult questions which have been placed rather squarely before us by the Governor of the Bank of Canada in a succession of public statements which contain his measured and sober appraisals of facts that are simple and straightforward. You know what some of these questions are. For example, are we living too lushly and beyond our means on the avails of our resources which are being increasingly developed by foreign capital? Can we help the process of re-establishing an equilibrium between our spending and our income through an expansion of domestic secondary industries with their creation of jobs here in Canada? Do we need to borrow so much abroad to maintain employment and national growth? Do we need to import so much equity capital, or can our saving and spending be more effectively directed so that we do not run into so much risk of foreign economic control? Do our present unemployment figures show that we are misdirecting our spending?

I want to bring to your attention this meaningful summary from an address by the Governor of the Bank of Canada delivered in Winnipeg on January 18, 1960, to a meeting of the Canadian Club. He said:

> In our country, pursuit of an excessive and unsustainable rate of capital expenditure since the war has not only contributed to the unstable cycle of short-lived boom followed by a recession but has also been responsible for a growing deficit in our international balance of payments, a large excess of imports of goods and services over our exports, increasing reliance on foreign resources to finance (directly or indirectly) both capital projects and consumption, and a great increase in our foreign debt and in the annual burden of debt charges. It has also produced a higher level of interest rates than might otherwise have appeared, and recurrent periods of tight money and difficulties in the field of bank loans and bond markets.

Into this context I am tempted to add that perhaps we need to take a new look at Government policy on trade and tariffs, and that industry and business may need to sacrifice some immediate profits by intensifying and extending its search for diversification, efficiency and economy. Organized labour bodies have a most significant role to play in this search for increased productivity and economy, or, as Governor Coyne puts it:

> In one way or another those of us who are employed must contribute out of our resources to help share the cost of unemployment and to help create conditions in which greater employment opportunities will be available.

As I intimated, I wish to bring to your attention two problem areas which are tied to and symptomatic of our trading difficulties which, for want of a better name, I choose to call "illustrative exhibits". I shall first deal with our position with respect to our international balance of payments.

Just tonight the Ottawa *Citizen* featured an editorial entitled "Dependence on Outside Capital". If you examine the first quarter of 1960 the situation, roughly, is this: We exported, thank goodness, more than we imported, so our deficit on merchandise to all countries is only $46 million for the first three months, which is $108 million less than in the first three months of 1959, but on total imports and exports—that is merchandise, tourist trade, freight charges, etc.—we have deficited 40 per cent more than during those comparable three months in 1959. The result has been that we have imported $380 million in net new capital as against $262 million in 1959, and of this amount of $380 million, honourable senators, $175 million, or twice the 1959 figure, came into Canada to be directly invested in foreign-controlled enterprises.

Not long ago the *Financial Post* reviewed the activities of the Australian trade commission which had been visiting Canadian cities for some six weeks. Sir Douglas Copland, the leader of the mission, told the Canadian Manufacturers' Association in Toronto that in some respects the economies of Australia and Canada are complementary, since both nations have the great advantage of youth, great natural resources still to be explored and utilized, and since both are enjoying rapid increases in population and national wealth. Because of the efficient functioning of the Australian Loan Council which controls all governmental borrowing and the loans of publicly owned utility commissions, he pointed out that the financing of capital investment, without incurring too heavy a load of debt, had been accomplished smoothly, with the happy result that the great bulk of the debt is internal.

Of special significance to me were three bar graph charts which compared Canada with Australia in three significant aspects of present economic development. These bar graphs were given in the *Financial Post* of June 11, and their accredited source is the Australian Trade Commission to Canada. The bar graphs are very interesting. In unemployment Canada had at that particular time —and it does not say the exact date upon which these comparisons were made—an unemployment figure of 8.9 per cent, and the figure for Australia is .6 of 1 per cent. In foreign ownership of industry Canada's figure is 65 per cent and Australia's is 10 per cent. In foreign trade deficit Canada's figure is $1,400 million, and Australia's is nil.

Although honourable senators are thoroughly acquainted with the basic facts about Canada's external trade in 1959, it does seem significant to refer to the Annual Report of the Department of Trade and Commerce in order to review the salient features of our trade imbalance. In 1959 we exported 5 per cent more, or $5,140.5 million. We imported 9.3 per cent more, or $5,519.4 million. The Annual Report then analyses the commodity pattern of changes in the exports and imports, and the direction of trade, and so on, but the most significant thing is, of course, the analysis of the balance of payments at page 21 where the report deals with this problem and, among other things, says:

> From 1958 to 1959, exports rose less than imports and the deficit on merchandise trade increased from $156 million to $378 million.

Further on it states:

> For the second consecutive year the merchandise deficit in Canada's trade with the United States declined; from $564 million in 1958 to $538 million in 1959 . . .

Then it is significant to note that in trade with the United Kingdom and the commonwealth countries the Canadian export surplus fell from $338 million to $246 million as sales to these areas rose very slightly, while imports increased by 13.5 per cent. And then with all other countries, the merchandise balance changed from an export surplus of $55 million in 1958 to an import surplus —that is a deficit—of $96 million in 1959, and the net result, taking non-merchandise items into account, was that Canada's external deficit on current international transactions rose from $1,085 million in 1958 to $1,460 million in 1959, which is $400 million more, a 40 per cent increase in our deficit in one year.

I believe that here we come to the core of the problem which is surely related to trade, for as I understand things this deficit in the balance of payments can only be remedied in one of two ways: either by releasing more goods and services for export and actually selling them abroad, or by reducing Canadian demands on foreign resources. There is a third way, and I want to refer to it indirectly by pointing out that in the *Financial Post* issue of November 21, 1959, under the heading "United States Control on Rise in our Vital Industries" Mr. Michael Barkway starts this way, and I think it is an important point to be considered:

> If the twentieth century belongs to Canada, whom does Canada belong to?

Hon. Mr. Brunt: Canadians.

Hon. Mr. Wall: I should now like to refer to a very interesting analysis of the problem of the Canadian balance of payments which was prepared by the Canadian Bank of Commerce and issued on May 16, 1960.

Our 1959 deficit, and we have had these consistently since 1952 in mounting overall size, was, as I stated before, $1.46 billion. And the question arises why have we entered a chronic state of growing deficits in both merchandise and non-merchandise items which means that we are incurring foreign debt or increasing foreign ownership of Canada? To do what? To pay for both a higher level of capital spending and a higher standard of comfort which are perhaps higher than would be justified by our own earning capacity. In other words, are Canadians spending more than they are earning and are we earning less because of an over-supply situation in the world's capacity to produce many of Canada's staple exports, because of other countries re-establishing their markets at our expense, because of restrictions against Canadian goods and services, because of the birth of regional trading blocs, and because of our high cost economy to which the honourable

senator from Shelburne (Hon. Mr. Robertson) referred so aptly and succinctly?

More knowledgeable men than I must assess these background factors which are responsible for this growing and to me alarming imbalance of payments and what steps must be taken to reverse this deficit situation. All I know is that we are steadily going into debt to non-Canadians, and I am not solaced by statements that the imbalance in Canada's transactions has not yet proved very troublesome or burdensome or that all this deficiting will really be beneficial, for the net capital inflow required will build our economy, will produce more wealth and will make us all more prosperous some time. This is true but there is another side to this point. Furthermore, our present unemployment figures take the edge off this exuberant confidence, for somehow the tremendous injections of capital into Canada have still left us with this painful and unresolved problem which was discussed by the Canadian Manufacturers' Association just recently: "How can we create more jobs in industry"?

I would refer honourable senators to Governor Coyne's remarks to the Ontario Chamber of Commerce at Hamilton on May 12, 1960, when he gave this very sober and rather stark picture:

> We are sometimes told, by foreigners, that we must not contemplate reducing our reliance on new foreign investment each year, and correspondingly our excess of imports over exports, because it would lead to an increase in unemployment. This is absurd, and indeed it implies that only a further increase in the annual rate of increase in foreign debt—and imports—could enable the Canadian economy to achieve full employment. It is simply not true that Canada has to continue to borrow abroad, and import vastly greater quantities than it exports, in order to maintain economic growth and full employment for a growing labour force.

Honourable senators, between 1946 and 1956 and before we felt the full impact of the competition of the rebuilt industries of the Western world, Canada's gross national product *per capita* in real constant dollars rose by 19.3 per cent, Canada's labour force rose by 19.7 per cent and Canadians holding jobs increased by 19.5 per cent. Notice how balanced that seems to be. But between 1956 and 1959, when we had the greatest injections of foreign capital, the labour force rose by 7.7 per cent, the real gross national product *per capita* actually decreased by 4.1 per cent, and the number of Canadians employed rose by 4.9 per cent. We are now beginning to lose the battle. You will readily see that we are losing, at least temporarily, the employment battle despite the huge injections of foreign capital to increase our productive capacity and to create more jobs.

Hon. Mr. Roebuck: Might it not be worse without that capital?

Hon. Mr. Wall: Might it not be worse? That is a moot point, honourable senators. I would say no—that we could do more on our own resources.

Not only are we mortgaging our future, either by straight loans or by enlarging foreign equity control over our economy—and you will notice that our interest and dividend payments plus retained earnings are now passing the respectable sum of $1 billion per year—but our deficits on what I choose to call the ordinary day-to-day expenses of ordinary living are almost $400 million on merchandise alone. As an ordinary layman, I would include with these current day-to-day expenditures, for which we should pay now, these other expenditures which we should not push off on future generations, such items as deficit on travel expenditures of $192 million; freight and shipping, $95 million; inheritances and migrants' funds, $55 million; and all other current transactions, $332 million.

You will see, honourable senators, that what we are dealing with is day-to-day living national deficits of another $1 billion a year, and it is becoming increasingly apparent that most of this is for consumer goods and services, and not, or I said before, to increase our capacity to produce more jobs and more wealth tomorrow. I believe that it is one thing if we as a Canadian family borrow from one another, but no sensible Canadian family would be able to maintain its economic integrity and stability if it continued to pile up deficits in this fashion year after year. You will say that a country is different, and that is true, but is it that much different? Should we not examine most carefully why we are in effect overspending, how we are financing these deficits, and what this will mean for Canadians in the future?

If we were only borrowing to pay for these deficits, then I would not be so concerned; but the problem has other and, I believe, more serious ramifications, and these revolve around the increasing non-Canadian control of our industry and business generally.

What, honourable senators, is the real meaning of the warning of the Governor of the Bank of Canada regarding this continuous trend in our imbalance of international payments, which you will find on pages 7, 8 and 9 of the bank's annual report for 1959?

A rather interesting example of a country's concern about the imbalance of payments can be found in the June 4 issue of *Foreign Trade*, a publication of the Department of Trade and Commerce. In it is an article by the Canadian Assistant Commercial Secretary of

Caracas, dealing with the increasing of import controls by Venezuela. The heading of the article says:

To foster local industry and safeguard the balance of payments, Venezuela is stepping up import control.

I am bringing this to your attention, not because I want to imply that I am in favour of the stringent remedies which Venezuela has chosen to solve this problem—

Hon. Mr. Roebuck: I hope not.

Hon. Mr. Wall: —but simply to stress that this problem in its Canadian context is grave and urgently demands governmental and non-governmental action.

The 1959 *White Book on Italian Economy* shows a very interesting picture of Italian economic activity. Sometimes we tend to regard the strength of the economic activity in that country in an improper light. In 1959 the Gross National Product at current prices went up to 6.6 per cent, due largely to increases in the industrial sector of 7.4 per cent. Investments were up 8.2 per cent over 1958. Savings by the Italians now amount to 25.2 per cent of total resources. Of special significance to me was the table of Italian balance of payments. Although there was a deficit in the balance of trade of $131 million, the revenues from tourism, from capital and labour, from other services, and from remittances and gifts resulted in a net surplus on the balance of current payments of $559 million in 1958 and $752 million in 1959. When one looks at the International Monetary Fund Balance of Payments Yearbook, volume 2, which gives us the current account balances for the various countries, it is very interesting to see Canada with a minus figure for several consecutive years, starting with about $500 million, and ending this year with about $1.5 billion. The United States has some minuses, but mostly pluses. France has a surplus this year of $650 million. The Federal Republic of Germany last year had a surplus of $1,709 million, and so on.

I have brought this to the attention of honourable senators because of my layman's concern about our own solution with respect to the balance of payments, which I simply cannot accept as being in a relative state of equilibrium or in a condition of desirable normality. To me, the economic principles underlying the question of the balance of trade and of the balance of payment are as compelling as the law of gravity. We must either spend less abroad for current expenses on services and goods of various kinds, or we must compete more effectively on the United States and other external markets to sell more of our goods and services. How we are to do it is not for me to say, but do it we must, and we should, and I suspect that this sincere concern prompted the honourable senator from Shelburne (Hon. Mr. Robertson) to introduce his very valuable discussion and to present it with such thoughtfulness and depth.

Into this context of Canadians living within their means and financing more of their industrial, business and public enterprises through internal savings, I would like to interject this thought: perhaps our attention should be directed to the fact that there is emerging the problem of so arranging the equity financing of the private sectors of our economy to permit a still wider distribution of preferred and ordinary stock among the Canadian citizens at large. I believe that broader stock ownership of industry is a sensible and most desirable objective for the kind of capitalism we have today, because in a very real sense it will be a sequential extension of the democractic and free enterprise doctrine in the economic sphere of our national life.

Mr. Eric W. Kierans, the new President of the Montreal and Canadian stock exchanges has lately pointed out that over a period of 16 years, from 1936 to 1951, 603 major Canadian corporations financed 82.2 per cent of their growth by internal or retained funds, and only 9 per cent by bond borrowings from the public, and 9 per cent by the sale of common and preferred stocks.

To me, this means that except for the shifting of equity ownership as a result of sales on our stock exchanges there has been very little extension of the stock ownership of industry and business among the many more Canadians during this 16-year period, and I regard this as decidedly unsatisfactory and unhealthy.

The *Financial Post* of June 18, 1960, in its editorial section called "The Nation's Business", claims that the typical corporation is fast becoming the big machine run by a few professional management people, whose prime interest is often likely to be very different to that of modest shareholders for whom dividend policy is very important. The article further comments that the capital gains policy frequently followed is usually of prime interest to the well-heeled group controlling a company's stock. Might I submit that there is much to ponder about in these interesting observations of Mr. Kierans. I quote:

Government should concentrate all its efforts on increasing savings in the personal sector. Internal savings by corporations may have already gone too far. It might even be appropriate to devise the necessary tax measures to encourage a wider distribution of corporate earnings.

And to this I would add that it might also be wise to so work things that there will

be encouraged a wider distribution of Canadian equity ownership.

Honourable senators, I have just a few more remarks to make and these will deal with the last lines of the notice under discussion, which draws our attention to the emerging problem of the potential economic competition of the Sino-Soviet bloc, and the necessity of avoiding any form of trade war between the two sides of the Atlantic, which is a development that the Soviet Union fervently hopes for, because it might well enable the communist world to accomplish economically what it has failed so far to do militarily.

I would like now to make a few observations about this great basic issue of Sino-Soviet economic competition, which will undoubtedly have far-reaching effects upon the Western world and upon the developing nations of Asia and Africa, perhaps within the next decade. Surely it is quite clear that Canada might be affected more directly and more seriously than many of our Western partners, simply because Canada and the Soviet Union are very much alike in their natural resources and in the kind of exports which both are likely to want to sell on the world markets. Surely it is also evident to all who know something about the Soviet economic machine that it could be a most dangerous and intractable competitor, because of its highly centralized and government-integrated character where domestic requirements can be stringently controlled and where costs of production can be subject to other than strictly economic considerations.

We may now well be enjoying a five-or six-year lull period as the latest Soviet Seven Year Plan to build up its productive capacity and to catch up on its domestic requirements is being implemented, but let us not underestimate the possibilities and the potentialities of the Soviet economic machine which may soon be able to produce export goods in quantity and of good quality and at most attractive prices, especially if we find that our costs have been increasing in the meanwhile.

We have slowly and painfully learned that the Soviets do possess the military power to inflict great physical destruction upon our peoples and their productive capacities, and I need not describe the efforts we are now making to match them in the field of missiles, to erect advance warning systems, and generally to protect ourselves and to make certain that deterrent-type striking forces are ready to launch a devastating counter-offensive.

But have we really roused ourselves to examine the implications of the phenomenal growth of the productive capacity of the Soviet Union and of its satellites? Have we re-examined the basic validity of the many generalizations—fond generalizations I would call them—which we have been making about the Soviet economic system? For example, do we still believe that Soviet industrial and commercial commissars cannot be as efficient and dedicated managers as our leaders are, or that the Soviet people cannot be motivated to dedicated and almost feverish work—and if you want to know what feverish work means, read some of their novels—through a highly potent mixture of fear and incentives, all tied to large doses of a most efficiently propagandized Soviet national pride? Do we still believe that there is something elusive and spurious about the very large annual increases in Soviet production rates, or that the Soviets are not spending enough time on basic and applied research which, incidentally, is organized on an industry-wide basis?

I have in my hand a book called *Soviet Economic Power, Its Organization, Growth and Challenge,* issued this year and written by Professor Robert W. Campbell, of the University of Southern California. This book is very comprehensive. It is an authoritative account of how the Soviet economy functions and how well it performs its job, and all you have to do is to read the last few pages called "Prospects for the Future" to inform yourself what this very serious-minded and very competent professor has to say about the extent of the competition and progress that this Soviet economic machine will show within a few years.

Then one must say that we must honestly reassess our own position.

What Professor Campbell does is to underline very clearly the greater ease with which this increased productive capacity of the Soviet Union, which is running about 9 per cent a year, may be channelled to military purposes, to non-consumer investment goods purposes, or to external trade, credit or technical assistance purposes to lesser and underdeveloped countries, at very low rates of interest, for very long terms, with excellent propaganda techniques, and always with political objectives in mind.

I have sketched this emerging problem of the economic strength of the Soviet bloc to underline the competition we may soon face in the international markets from the new techniques that are being used by Soviet trade missions and embassies that are filled with technical experts and commercial attachés. If you examine some of the Soviet trade treaties made within the past year or two, you will notice that the U.S.S.R. is prepared

to buy anything that their new trading partners have to sell, be it meat, fish, cotton, rice, fibres, raw hides or industrial machinery. Let us not forget that one salesman is able to buy or sell whatever the Soviet economy needs or produces; and often it seems to us that this buying and selling is not in accordance with strict economic necessity or accepted and sound trading practices. How free enterprise, with the assistance of governments, is to meet and solve this emerging problem of Soviet competition is a problem that will have to be given urgent attention on a priority basis, and the sooner the better.

These considerations bring us back to the suggestions contained in the proposal of the honourable senator from Shelburne (Hon. Mr. Robertson), that the avenues of trade among friends must be kept open and that our mental map of our overseas markets must be extensive and flexible. For that is how I interpret the senator's emphasis on the desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and to this proposition I give my unqualified support.

Honourable senators, I thank you for your kind attention.

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

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, may I ask that Order No. 9, for the second reading of Bill C-73, to amend the Excise Tax Act, be placed first on the Orders of the Day tomorrow; that Order No. 10, for the second reading of Bill C-74, to amend the Customs Tariff be placed as the second order, and that the order for the second reading of Bill C-71, an act to amend the War Veterans Allowance Act, 1952, be placed as the third order?

Some Hon. Senators: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 22, 1960

The Senate met at 3 p.m., Hon. Arthur M. Pearson, Acting Speaker, in the Chair.

Prayers.

EMERGENCY GOLD MINING ASSISTANCE BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-64, to amend the Emergency Gold Mining Assistance Act.

Bill read first time.

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading on Tuesday next.

Motion agreed to.

INCOME TAX BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-68, to amend the Income Tax Act.

Bill read first time.

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

Motion agreed to.

CANADIAN NATIONAL TORONTO TERMINALS BILL

FIRST READING

The Hon. the Acting Speaker informed the Senate that a message had been received from the House of Commons with Bill C-72, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto.

Bill read first time.

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

Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Acting Chairman of the Standing Committee on Transport and Communications, presented the following report from the committee:

> The Standing Committee on Transport and Communications to whom was referred the Bill (C-69) intituled: "An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1960 to the 30th day of June, 1961, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company", report as follows:
>
> Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Transport and Communications had considered Bill C-69, to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1960 to the 30th day of June, 1961, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company, and had directed him to report the same to the Senate without any amendment.

Report adopted.

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

Motion agreed to.

CITIZENSHIP

BRITISH SUBJECTS IN CANADA

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

> 1. Are there any categories of British subjects who are presently living in Canada and who are neither Canadian citizens nor citizens of the commonwealth?
> 2. If so, what are they?

Hon. W. M. Aseltine: The answer to this inquiry is as follows:

1 and 2: No.

The only persons possessing the status of British subject or commonwealth citizen in Canada apart from Canadian citizens are those whose country appears in the First Schedule of the Canadian Citizenship Act or

whose country has been the subject of a proclamation under section 34 (2) (a) of the Canadian Citizenship Act by the Governor in Council.

The countries listed in the First Schedule of the Canadian Citizenship Act are "Australia, Canada, Ceylon, India, New Zealand, Pakistan, Southern Rhodesia, Union of South Africa, United Kingdom".

Those countries which are the subject of proclamations by the Governor in Council are "Ghana, Federation of Malaya, Federation of Rhodesia and Nyasaland".

Section 23 (2) of the act provides that every person having in Canada the status of a British subject may be known as a British subject or as a commonwealth citizen.

EXCISE TAX BILL

SECOND READING

Hon. William R. Brunt moved the second reading of Bill C-73, to amend the Excise Tax Act.

He said: All honourable senators will recall that when the Minister of Finance made his budget speech in the other place, on the evening of March 31 last, near the end of the speech he referred to certain resolutions with respect to the Income Tax Act, the Excise Tax Act and the Estate Tax Act. The resolutions with respect to the Excise Tax Act will be found on page 2687 of *Hansard* of the other place.

In all, 13 changes to this particular act were referred to in the resolutions, and these are now incorporated in this particular bill.

The bill itself is a short one, containing as it does only three clauses. However, the meat of the entire bill is to be found in the schedule which forms part of the bill and will be known as Schedule III to the Excise Tax Act.

Clause 1 of the bill makes a simple amendment to subsection 4 of section 35 of the Excise Tax Act, as passed by the Parliament of Canada during the year 1952. By this amendment an extension is provided for as to the types of security that the minister may accept from a licensed wholesaler or jobber. Formerly the minister, in accepting Government securities, was restricted to bonds issued by the Dominion of Canada. Now he will be able to accept also other securities issued by the Dominion of Canada, and securities guaranteed by the Dominion of Canada. An example of such would be bonds issued by the Canadian National Railways, which carry the guarantee of the dominion Government.

Hon. Mr. Hayden: Would the honourable senator permit me to call to his attention the fact that the provision that the security shall be acceptable to the minister is new? At present there is the rather unusual provision that the security shall be acceptable to the Government of Canada.

Hon. Mr. Brunt: I had not noticed that change. However, I note that the word "minister" is underlined. I thank the honourable senator for bringing the matter to my attention. The minister is the person who will now pass on the type of security.

Hon. Mr. Roebuck: May I direct the attention of the honourable senator to the fact that the security is not limited to Government bonds.

Hon. Mr. Brunt: As I said, the minister will be able to accept as well other securities issued or guaranteed by the dominion Government. I realize there are other securities that are acceptable and are outlined in the bill. There is no change with respect to these.

Clause 2 of the bill repeals Schedule III of the present act and substitutes a new schedule, which is set out in the bill as Schedule III and will become Schedule III to the Excise Tax Act.

Schedule III relates to the 13 changes to the Excise Tax Act which the minister proposed in his resolutions of March 31 last. It is my intention to comment only briefly with respect to these 13 changes and, when the bill receives second reading, to move that it be referred to the Standing Committee on Banking and Commerce, where witnesses can be heard and a full discussion can take place with respect to each of these changes.

The first change to which I would call the attention of honourable senators abolishes the sales tax on electric heating equipment using 220 volts or greater, and which is a permanent installation as part of an electric heating system for buildings. However, the repeal of the sales tax does not apply to the electric wiring and other materials leading to or connecting such equipment to the source of supply of electric power. This amendment is to be found in the schedule on page 2 of the bill.

The next amendment removes the sales tax from ducts for warm air heating systems for heating buildings. This also will be found in the schedule on page 2 of the bill.

The third exemption applies to speaking aids and the parts used in connection therewith, including batteries. Honourable senators will find this in the schedule on page 3 of the bill.

The following additional goods are now exempt from sales tax: Surgical sutures, referred to in the schedule on page 3; perlite, a form of vitreous rock in globular form, referred to in the schedule on page 6; and portrait photographs of individuals, as set

out in the schedule on page 11. The sales tax has been removed also from perforated pipe used for drainage purposes, provided that the inside diameter of the pipe does not exceed four inches.

If honourable senators will look at the schedule on page 5 of the bill they will find that the exemption from sales tax on feeds and feed supplements has been extended to include feed supplements for adding to feeds for fur-bearing animals, and that the exemption applies also to the material used exclusively for the manufacture of these feeds.

Hon. Mr. Reid: That is one of the new additions?

Hon. Mr. Brunt: That is right.

In the schedule on page 3 of the bill honourable senators will note that there has been a change with respect to hardware for doors and sash, and further that grease traps used in connection with septic tanks are exempt.

Hon. Mr. Reid: Could the honourable gentleman pronounce the first word under "Charitable, Health, Etc." on page 3? The spelling is "A-d-r-e-n-o-c-o-r-t-i-c-o-t-r-o-p-h-i-n".

Hon. Mr. Brunt: After having listened to my honourable friend spell the word I would not attempt to pronounce it. I will leave it to some of the experts on education to give it the proper pronunciation.

Hon. Mr. Hayden: Did I understand the honourable senator from Hanover (Hon. Mr. Brunt) to say that hardware is exempt in this schedule III?

Hon. Mr. Brunt: No, hardware for sash and doors is not exempt.

A very important exemption with respect to sales tax has been brought into effect with regard to coverings and materials used in connection with fruits, vegetables, eggs, butter, cheese, ice cream, bread, flour, milk and cream.

Hon. Mr. Euler: Does the senator from Hanover think it is an oversight that margarine, which is also a food, has not been included?

Hon. Mr. Brunt: I am very sorry I cannot give my honourable friend the answer to that question. I realize that margarine is very dear to his heart. Possibly it may be exempt at the present time.

Hon. Mr. Hayden: I see that grease traps are exempt.

Hon. Mr. Brunt: Surely we would not compare those with margarine.

Full particulars of these exemptions will be found on pages 3 and 4 of the bill under the heading "Coverings". I would point out that covers and crates are exempt even though they are used many times in connection with the marketing of the products mentioned under this heading of "Coverings".

Hon. Mr. Hayden: Can the honourable senator give us any information as to what is meant by the words "usual coverings or usual containers"?

Hon. Mr. Brunt: No. I understand they were not able to provide a definition for that in the other place either.

Hon. Mr. Hayden: Is it a matter of what is ordinarily used?

Hon. Mr. Brunt: It may be.

At this time I think it should be pointed out that the Maritime provinces have not been forgotten with regard to the sales tax exemptions which are being provided this year, and I am sure that this will be good news to the honourable senator from Halifax-Dartmouth (Hon. Mr. Isnor) and the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley). On page 8 of the bill it will be noted that materials for use only in the equipment and repair of ships over ten tons net register tonnage are now exempt from sales tax. I am sure that will be very good news to all people from the Martime provinces.

Hon. Mr. Reid: What about British Columbia? We have fishing vessels there too, you know.

Hon. Mr. Brunt: But British Columbia does not holler in the same way that the Maritimes do.

Hon. Mr. Reid: You are right.

Hon. Mr. Connolly (Halifax North): Their need is not so great.

Hon. Mr. Reid: The squealing wheel gets the grease.

Hon. Mr. Roebuck: What about the great harbour of Toronto?

Hon. Mr. Brunt: Let us not get into harbours today.

Honourable senators, in clause 3 of this bill it is provided that these changes will come into full force and effect as of April 1 last. I understand that it is usual and customary to include such a clause in all bills of this particular type.

Hon. Mr. Roebuck: Has the honourable senator any explanation of the item "Portrait photographs of individuals"? Whose portrait is being taken?

Hon. Mr. Brunt: I can only assure you that it is not the portrait of the honourable senator from Hanover.

Hon. Mr. Connolly (Ottawa West): Can the honourable senator tell us what revenue changes will result from these alterations?

Hon. Mr. Brunt: No. Possibly we can get that information in committee.

Hon. Mr. Reid: What is a "perforated pipe for drainage purposes"?

Hon. Mr. Brunt: I understand that it is a drain pipe with holes in it.

Hon. John J. Connolly (Ottawa West): Honourable senators, I have little to say about section 1 of this bill, for I feel that the explanation given by the sponsor (Hon. Mr. Brunt) is adequate so far as I am concerned and no doubt so far as all honourable senators are concerned.

I think the important part of the bill is Schedule III. In recent years whenever the Excise Tax Act has been amended the practice has been to re-enact the entire Schedule III with the changes proposed in the new legislation. This has been done again and I think it is worth while mentioning that Schedule III contains some nine and a half pages of articles and equipment exempt from the sales tax. Every time the schedule is changed—and there are some 13 or 14 changes this year—and additions are made to the schedule, it means we are exempting from the sales tax the articles included in the amendments.

The changes being made in these nine and one-half pages of exemptions do not represent a substantial change in the Excise Tax Act. What those changes will mean by way of revenue to the country I think we might well find out in committee. But I feel it is important to know just what has been happening about excise taxes.

In 1956-57 the revenue derived from this source amounted to $1,192 million. In 1957-58 it was down a little, to $1,158 million. In 1958-59 it amounted to $1,140 million, and in 1959-60 the take was $1,324 million.

My view is that this is not getting the tax collector off the backs of the taxpayer, for there are more collections being made through the Excise Tax Act this year than there have been since 1956-57.

Hon. Mr. Aseltine: It may be that there is more business.

Hon. Mr. Connolly (Ottawa West): Certainly, but there is more tax money coming in. It has been said in this house, as well as in the other place, that the excise tax, being a hidden tax, is an insidious tax, but it is a tax beloved by governments, for, being hidden, it avoids the direct wrath of the taxpayer. It is levied at the wholesale level so that the retailer absorbs it, and he of course passes the tax on to the consumer. It was once said by the present Minister of Finance, when he was in opposition, that this kind of tax attracts markup upon markup upon markup.

Now, without knowing what the change in the revenue is—and I have a feeling that the change through these amendments is not very significant—I think the tax collector will be into the pockets of the Canadian people for excise tax almost as much under this legislation as he would have been if the legislation had not been passed. However, for even small relief from taxes we can be grateful, and in this respect the bill is helpful.

Hon. Mr. McDonald: How much relief is anticipated?

Hon. Mr. Connolly (Ottawa West): I am afraid we will have to get that information in committee. The honourable gentleman who sponsored the bill (Hon. Mr. Brunt) has not the figure, and I certainly have not, nor have I any way in the world of getting that figure.

I would think that even for the minimum amount of relief that might be available under this legislation we should be grateful. Perhaps in another year circumstances and conditions will be more auspicious for greater reductions!

Hon. T. A. Crerar: Honourable senators, I must say at once that, looking around the vast edifice of expenditures that we are building up everywhere, I cannot find myself in agreement with the hope just expressed by the honourable senator who preceded me. Excise taxes are a hidden tax. In the great majority of instances, when we buy an article in a shop anywhere there is embedded in the price we pay for it an excise tax that we have imposed in Parliament—at the request of a government, of course, irrespective of its political affiliation. That violates one of the sound concepts of taxation accepted by all important economists. It is a species of plucking the goose without inducing him to squawk.

In my odd reflective moments, I have often speculated what would be the effect upon public revenues if by some means we could bring excise taxes and sales taxes—all indirect taxes—immediately to the attention of the consumer. I venture to say that the pressures for reductions in taxation would be so great that no government could resist them. When a government can get money from taxpayers and fortify its revenues in this fashion there is always a temptation, unless the government possesses extraordinary will power, to spend unnecessarily. Probably there is no more important matter that could engage the attention of Parliament than this

matter of how our taxes are levied and how our revenues are secured. Of course, a government does not desire to court unpopularity by imposing taxes that are well known to the individual. Consequently, income tax is about the one tax now that brings home to the individual taxpayer the fact that he has to pay for the expenditures he requests a government to make. In that connection, I have always thought that it was a serious blunder, or rather a serious error—I will put it that way—when we raised the exemptions in the income tax to the point they have reached today. I recall that back in 1932 in Manitoba the provincial Government, of which Mr. John Bracken was then Premier, was faced with a very difficult situation. In order to maintain fiscal solvency and to pay the interest on the outstanding bonds of the province it was faced with the choice of either defaulting on interest or imposing an additional tax, and the Provincial Treasurer of that day wisely, I think, imposed a 2 per cent wage tax, as it was called. If my memory serves me, that tax applied to all incomes over $660, whether derived from wages, salaries, or any other source. So the working man, or the stenographer, who earned over $660 a year had to pay a tax, and the individual who had a salary of, say, $50,000 a year likewise had to pay 2 per cent on that amount. It was a drastic proceeding, and at the time there was a great outcry about it. But what was the result? About a year later the Provincial Treasurer told me, in response to a question, that the imposition of this wage tax had cut down by at least 75 per cent the demands made upon the provincial Government to spend money. If we can bring home to people the fact that they have to pay, out of their pockets, for the services and other things they demand, it will have a very salutary effect upon the demands they make.

It is impossible now, of course, to alter this legislation. For the small mercies it contains we should all be thankful; but I do bring this point to the attention of the house, that the important thing is to curb spending wherever it can be curbed, and I venture to say that if we took a very close look at all the programs of public expenditures today, at all levels of government, we could find very many places where very substantial economies could be effected.

Hon. Arthur W. Roebuck: Honourable senators, I would like to express my complete agreement with the comments of the senator from Ottawa West (Hon. Mr. Connolly) in regard to this form of taxation, and to thank him for making them. What I rose to say, however, was that I think this house is entitled to some explanation of why these particular items are exempted from the sales tax and others remain subject to it. We have been given no information of that kind at all. For instance, here is an item, doors and window screens. They are taken out of the tax system, they are exempt. Why drop all doors and window screens? Why not sashes and glass and so on? There must be some reason behind exempting these new items and perhaps old items as well. The measure is important for what is not in it rather than for what is. The number of additional exemptions, 13 or 14, is not important at all. What is important is the continued levying of the sales tax on a vast number and quantity of goods. It is a nuisance tax. It is one of the most expensive taxes in which we indulge—I mean from the point of view of the cost of collection, which is very high—and I would congratulate the Government upon the small favours it has given to us and express the hope that the time will come when this type of taxation will disappear.

Hon. W. D. Euler: Honourable senators, I do not propose to apologize for bringing a certain subject again to the attention of the Senate. I might give an additional reason why it is an anomaly that margarine is not on the list of exemptions. Going back into more or less recent history, margarine—or, as it used to be called, oleomargarine, which is not the proper name because oleomargarine implies animal fat and margarine is now made entirely from vegetable oil—margarine was quite legal at one time during the First World War and the soldiers abroad were eating it. There was a scarcity of butter. Later on, influence was brought to bear from certain quarters, which we all know, and the question of margarine was fought out in the House of Commons. I can remember taking part in those debates, in which the enemies or opponents of margarine won out, and as a result margarine was again made illegal.

According to my memory, the sales tax was brought in after that. At that time articles of food and many other commodities, whose number I think would reach into the hundreds, were made exempt from the tax, but since margarine was not then a legal commodity it naturally was omitted from the exempted list. Had it then been a legal commodity in this country it probably would have been placed on the list of those foods that are exempt from sales tax.

Since then there has been a great deal of opposition to margarine. My friend from Toronto (Hon. Mr. Hayden) will remember the trouble we had in this house in connection with the bills I introduced to make margarine legal, which bills were rejected. We did ultimately get a favourable judgment

from the Supreme Court. But in spite of all the efforts that have been made throughout Canada by the Consumers' Association and other groups of women, who have demanded again and again that the sales tax on margarine should be repealed, and who have tried in the different provinces to have the prohibition against the yellow colouring of margarine repealed, they have not had much success so far. Coloured margarine is permitted in two provinces now, Newfoundland and British Columbia. It almost became legal in Manitoba just a few months ago. A bill to permit colouring of margarine in the province was brought into the Legislature, I understand, and a vote was taken. The division of the house was equal and the Speaker cast the deciding vote, for continuing the ban on coloured margarine.

Hon. Mr. Haig: That is correct.

Hon. Mr. Euler: I have not the slightest doubt that if a vote of the Canadian people were taken there would be an overwhelming majority in favour of exempting margarine from sales tax.

I appreciate that the matter of colouring is not properly debatable here, because it is a provincial matter altogether, but I think this sales tax is an unholy tax as far as margarine is concerned. The tax is 11 per cent, which adds at least three cents to the retail price of a pound of margarine.

Let us look at some of the exemptions we have here and see how truly unreasonable it is to maintain the sales tax on margarine, an article of food at least as important as some which are exempted from the tax.

This is not a food that I am mentioning first, but I notice that sawdust and wood shavings are exempt from sales tax.

Hon. Mr. Hayden: And prune juice.

Hon. Mr. Euler: Prune juice, yes, and steel pens for farm animals. I was wondering whether those were fountain pens or the newer type of pens in use now.

Here is a list of foodstuffs that are exempt from the sales tax: baking powder, baking soda, cream of tartar, barley, bread, butter, cheese, cream, eggs, egg yolks, glucose, honey, ice, lard, rice, salt, shortening, soups, split peas, sugar, yeast, yogurt, edible gelatine, gravies, ice cream—and now I think even the containers for ice cream are added to the exemptions. Then we have jams, jellies, marmalades, preserves, malt syrup, maple syrup, corn syrup—and corn syrup being a substitute for maple syrup we ought to think seriously of putting a sales tax on it because it interferes with the income of the farmer who produces maple syrup.

Hon. Mr. Roebuck: I wonder if my honourable friend has considered this possible answer to his question: that it all depends on who is interested and how much pull he has got.

Hon. Mr. Euler: I am coming to that.

Peanut butter is exempt from the sales tax. I think that the butter people ought to protest about that exemption. And here is something that might give cause for concern on the part of the authorities:—sandwich spreads are exempt. I wonder what would happen if a sandwich were spread with margarine? Would that margarine be exempt?

Hon. Mr. Beaubien: It won't spread.

Hon. Mr. Euler: Oh, yes, it will spread all right. Has my honourable friend tried it?

Hon. Mr. Beaubien: Yes.

Hon. Mr. Euler: Well, he tried the wrong brand.

Hon. Mr. Hayden: He must have frozen it first.

Hon. Mr. Euler: Spaghetti, macaroni and vermicelli are exempt. Tea, coffee and substitutes therefor are also exempt. I imagine if tea and coffee were being produced by the farmers of this country they would not allow any substitutes to be exempt from the sales tax.

I have given these examples to show the absurdities that exist in this matter.

Of course as my friend from Toronto-Trinity (Hon. Mr. Roebuck) has suggested, the tax is imposed on margarine entirely for one purpose, to satisfy a minority, the producers of butter. And the peculiar thing about it is that the farmers themselves—I know this is so in my own district and throughout the province of Ontario, even in the dairying districts—buy margarine at grocery stores in towns and cities and use it. And even in the province of Quebec, where it is illegal to sell margarine, I am quite certain that one can buy it. I have done so myself, although it went under another name. There is not only inconsistency, but hypocrisy about this whole question of margarine.

I would like to make an appeal to the Government—perhaps I will take definite action later—that it yield to what I believe is almost the unanimous opinion and desire of the people of this country to put margarine on the same basis as other foods.

Hon. Mr. McDonald: I would like to say to the honourable senator who has just spoken that I am sorry he is not a dairy farmer and has not the interest of a large section of our people and the health of the people generally more at heart.

Hon. Mr. Euler: What does my friend mean by "health"? Does he mean that margarine is not a healthful food?

Hon. Mr. McDonald: Not as good as butter.

Hon. Mr. Euler: Doctors tell us that margarine in many respects is better than butter. We are told that margarine does not contain harmful deposits of cholesterol, whereas butter does.

Hon. Mr. Brunt: There is some doubt about that. Research in that respect is still being carried on.

Hon. Mr. Euler: Honourable senators, I apologize for rising to my feet again, but I do not think I should allow the suggestion to go abroad that margarine is not healthful.

Hon. Mr. McDonald: It is not as healthful as butter.

Hon. Salter A. Hayden: Honourable senators, I had not intended to say anything on this question, but when the honourable senator from Kings (Hon. Mr. McDonald) referred to margarine as being possibly dangerous to health, I felt I should point out to him that some years ago the Government of Canada made a reference to the Supreme Court of Canada on the question of the constitutional validity of a federal statute passed in 1885 prohibiting the manufacture, importation and sale of margarine, the preamble to which statute referred to oleomargarine as being a deleterious article of food, but notwithstanding that fact, the reference material placed by the Government before the Supreme Court as the basic information for the court acknowledged that margarine, as it was known at the time of the reference, was recognized as a wholesome, nutritious and healthful article of food. That was the attitude taken even by the Privy Council when it affirmed the judgment of the Supreme Court of Canada that the statute in question was unconstitutional.

Hon. Mr. Kinley: Why do they colour margarine to imitate butter?

Hon. Mr. Hayden: My friend, I take it, is asking me a question. I wonder if he would tell me at what season of the year butter is not coloured?

Hon. Mr. Kinley: It can be coloured.

Hon. Mr. Euler: Why do they colour butter in the wintertime?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Brunt, bill referred to Standing Committee on Banking and Commerce.

CUSTOMS TARIFF BILL

SECOND READING

Hon. Lionel Choquette moved the second reading of Bill C-74, to amend the Customs Tariff.

He said: Honourable senators, this bill C-74, is one of four bills required to implement the various budget resolutions which the Minister of Finance introduced on March 31. It would provide statutory confirmation of the amendments to the Customs Tariff which were proposed at that time and which, in accordance with the usual practice, came provisionally into force on the following day.

In introducing this bill, I should like to refer briefly to each of the five sections which it contains, and then to comment rather more fully on Schedule A which is annexed to it. As is usually the case with tariff legislation, the schedule is the most important part of the bill.

Section 1: The purpose of this section of the bill is to insert, in what I might describe as the preamble to the Customs Tariff, definitions of two terms which appear at a number of places in the revised schedule. These terms are "man-made fibres" and "sliver". I believe that the definitions are self-explanatory. However, I might comment that the definition of "man-made fibres" is sufficiently broad to include all of the various synthetic materials commonly known as rayon, viscose, acetate, nylon, orlon, terylene, acrilan and similar fibres, whether cellulose products or true synthetics. This definition, and also the definition of "sliver", is as recommended by the Tariff Board in a report submitted pursuant to Reference 125.

Section 2: This section provides for the deletion from the Customs Tariff of a long list of tariff items, and the substitution therefor of the items annexed as Schedule A to the bill. Many of these items are not changed except as to form and arrangement. However, in other cases there are changes of substance, some of which are important. I shall have more to say about the schedule at a later stage.

Section 3: This section provides for minor amendments to the provisions in the tariff relating to automobile parts. These amendments were requested in a joint brief submitted by the Canadian Automobile Chamber of Commerce and the Automotive Parts Manufacturers Association.

The first subsection adds three items to the list of automotive parts set out in tariff item 438c. Item 438c provides that parts listed therein may be imported free of duty if of a class or kind not made in Canada, and if imported for use in the manufacture of automobiles by a manufacturer who achieves the

required proportion of commonwealth content —in general it is 60 per cent in the vehicles he produces.

The second subsection provides for a purely technical and nonsubstantive amendment. The third and final change provided for in this section adds two items to the list of parts which may be imported free of duty under item 438d, if of a class or kind not made in Canada, when for use in the manufacture of motor trucks, buses or ambulances by a manufacturer who achieves 40 per cent or more of commonwealth content.

Section 4: This section, in conjunction with Schedule B, provides for a technical change in drawback item 1030. The effect of the change is to delete a part of the item which became redundant as a consequence of the amendment of tariff item 236.

Section 5: This section relates to coming into force. It provides that the various tariff amendments provided for in the bill shall be deemed to have come into force on the day following the budget, which is the usual practice in respect of tariff changes. In the interval between the budget and the granting of royal assent to the resulting legislation customs collectors apply the new rates of duty provisionally.

I think it was the honourable senator from Ottawa West (Hon. Mr. Connolly) who suggested last year that we publish the previous tariff rates as well as the newly proposed ones. The honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) remembered that request, and so did I, and we had the rates printed in the *Minutes of the Proceedings of the Senate* of June 16, which are likely in the hands of honourable senators now.

Hon. Mr. Macdonald: Congratulations.

Hon. Mr. Choquette: Although I shall not be able to explain each item, honourable senators will be able to compare them because of this printing in the *Minutes*.

Dealing with Schedule A, I remarked earlier that, as is usual with tariff legislation, Schedule A is the most important part of the bill. Honourable senators will note that this schedule sets out in detail the new tariff provisions which are to replace the former items deleted by section 2. Honourable senators will note also that the schedule is divided into three parts. This grouping of the items was introduced in order to facilitate their consideration.

In dealing with this schedule I shall attempt to summarize its main features. I shall not, however, embark on any comparisons of rates of duties or detailed explanations of each of the more than 120 tariff items which are listed in it. A tabular comparison of the new rates of duty with those formerly in effect has been prepared for our use, and has been printed as an annex to the *Minutes of the Proceedings of the Senate* of June 16, as I have already pointed out. If honourable senators, after examining this material, should wish to obtain additional information regarding any items which are of particular interest to them, I would suggest that they do so when the bill is referred to committee, as I assume it will be.

Part I of the schedule contains what might be described as the "textile package". In explaining it I might, perhaps, refer to what the Minister of Finance said in introducing his budget in the House of Commons. He pointed out that the tariff items included in this part related primarily to textiles, and that the effect was to implement the results of tariff negotiations designed to give effect to certain reports which have been submitted by the Tariff Board pursuant to Reference 125.

Hon. Mr. Reid: May I ask if all the schedules that we are looking at now are complete?

Hon. Mr. Choquette: Yes, they are complete.

This Tariff Board reference included all the textile items. The particular reports in question are those relating specifically to cotton and cotton products, to silk and man-made fibres and their products, and to textile wastes, rovings and yarns. I should perhaps add that the main wool fabric item was revised on a previous occasion, and that there are certain other parts of the textile schedule on which the board has not yet reported and which, consequently, are not dealt with in this bill. I should add also that the need for negotiations arose from the fact that most of the tariff items in question were subject to commitments under the General Agreement on Tariffs and Trade—that is, GATT.

Hon. Mr. Connolly (Ottawa West): Has the honourable gentleman any reference to the number of items in these schedules that are not GATT items?

Hon. Mr. Choquette: I could probably get it at the end of my speech, and if I am able to do so I shall let the honourable gentleman have that information.

The minister noted that the group of textile tariff items dealt with on this occasion involved some increases and some reductions in rates, and that it was found that the increases in duties, of which the most important related to coloured cotton fabrics, somewhat over-balanced the decreases. Hence, in order to conclude negotiations, it was found necessary to offer reductions in the rates on about

a score of Canadian tariff items outside the textile field. The implication of this is that this measure affords the Canadian textile industry some additional protection, on balance, as recommended by the Tariff Board, and that this is being matched by reductions in tariffs in other fields.

If honourable senators want to follow Schedule A I will refer to some of the items that come in that category. They are 187e—

Hon. Mr. Thorvaldson: On what page is this?

Hon. Mr. Choquette: This is to be found in Schedule A at page 560ee of the *Minutes of the Proceedings of the Senate* of Thursday, June 16. Then, 199m is again a reduction where a reduction had to be made, and sugar cane wax, 225c; and 347e, not produced in Canada; 414a, parts of typewriters; 414e, parts of adding machines; and also 463c and 456a.

Hon. Mr. Connolly (Ottawa West): These were all reduced?

Hon. Mr. Choquette: Yes.

Hon. Mr. Connolly (Ottawa West): This was part of the bargain?

Hon. Mr. Choquette: Part of the bargain, yes. Those are just a few examples, but they show that in most cases the Tariff Board, in making its recommendations, sought to make reductions mostly on goods that were not produced or manufactured in Canada.

Hon. Mr. Isnor: None of those were textiles, were they?

Hon. Mr. Choquette: No, no. That is a compromise with other countries for the textile increases.

Hon. Mr. Connolly (Ottawa West): Were all the textile items increased? Would the honourable gentleman know that?

Hon. Mr. Choquette: Not all. You can follow it in Schedules A and B. Part I of Schedule A covers substantive tariff changes resulting from the textile negotiations. It includes also the additional items outside the textile field which were affected by the negotiations. Some of the reductions in question were requested by Canadian industry, while others involve quite small reductions from relatively high rates and these should not damage the industries affected.

Part II of the schedule also relates to textiles, but it contains only changes which are merely matters of form. These changes do not involve any amendments of substance whatsoever, and their purpose is to renumber certain existing items in respect of which the Tariff Board recommended that no change be made, so as to fit them into the revised schedule.

The third and final part of Schedule A covers miscellaneous tariff changes, of which there are thirteen. This is a smaller number than usual. In this connection, it has been indicated that in considering requests for tariff alterations the Government had in mind the fact that this coming autumn an important round of tariff negotiations under the GATT will be initiated, and that some of the suggestions received during the past year might find some place in the forthcoming negotiations.

Of these miscellaneous changes, the most significant tariff increase relates to the first item in the list, which covers what is commonly known as "instant" potatoes. The production of instant potatoes recently commenced in Canada, and with encouragement should expand further. It is expected to provide an important market for Canadian potato growers. The proposed new rate of duty is 17½ per cent. As honourable senators will note from the schedule, most of the other changes in this group are of a technical nature, or involve the reduction or removal of duties in respect of imported materials which are required for use by Canadian producers. The second item in the list will serve as an illustration. Formerly item 124b provided for the free entry of squid, which is used as bait in the fisheries. At the request of the Fisheries Council, the item is being expanded to include octopus and cuttlefish, which are also extensively used as bait.

Hon. Mr. Smith (Queens-Shelburne): Where?

Hon. Mr. Choquette: It must be down where my honourable friend comes from.

Hon. Mr. Smith (Queens-Shelburne): I have never heard of their being used for bait in my district.

Hon. Mr. Choquette: I have never used them.

Hon. Mr. Smith (Queens-Shelburne): Don't try to.

Hon. Mr. Choquette: Apparently it was requested that octopus and cuttlefish be included in the item.

Honourable senators may be interested in the general effect of all these changes taken together on the level of the Canadian tariff. This is a matter about which it is difficult to generalize, and I can do no better than to quote verbatim a brief summary which the Minister of Finance gave to the House of Commons in this regard. He said:

The resolutions propose changes in 123 tariff items. Of these changes 20 are purely formal;

they simply involve the renumbering of existing items as a matter of convenience. A further 49 involve changes in nomenclature without alteration in the rates of duty. Sixteen involve increases in the rates of duty that will be payable, while 38 involve decreases. As on earlier occasions, I should warn that these bare statistics are not very revealing or conclusive, but they do serve to indicate the general balance and moderation with which this Government is approaching tariff matters.

Hon. Mr. Burchill: With respect to the 60 items which bear increases, can the honourable senator from Ottawa East (Hon. Mr. Choquette) give the house any idea of the approximate average percentage of increase? I assume most of them are textile items.

Hon. Mr. Choquette: We would have to follow the schedules as printed and compare them.

Hon. Mr. Burchill: I would just like an estimate of the average.

Hon. Mr. Choquette: There are only 38 that involve decreases.

Hon. Mr. Burchill: I thought my honourable friend said there were 60-odd.

Hon. Mr. Choquette: No. Thirty-eight involve decreases, 49 involve changes in nomenclature and 16 involve increases.

Hon. Mr. Lambert: May I ask the honourable senator from Ottawa East (Hon. Mr. Choquette) whether the changes in the textile duties coincide exactly with the report made by the Tariff Board following the hearing of the textile industry before the board?

Hon. Mr. Choquette: I understand so.

Hon. Mr. Lambert: They exactly reflect the findings of the board?

Hon. Mr. Choquette: That is quite right.

Hon. John J. Connolly (Ottawa West): Honourable senators, I am sure we are greatly indebted to the honourable gentleman from Ottawa East (Hon. Mr. Choquette) for the care and trouble he has taken to provide a very good explanation of the bill now before us. This is not the honourable gentleman's first appearance in connection with tariff matters, and he is becoming somewhat of a tariff expert. It is not an easy field in which to become expert and, if I may say so, I think he has come a long way from his first attempt at this. It is a great pleasure to hear from him.

The honourable senator has said that what we have before us is, in effect, a bill to implement a recommendation from the Tariff Board which involved for the most part a lot of items renegotiated under the General Agreement on Tariffs and Trade. Practically all of these items are GATT items. There are some that may be of individual interest. For example, with respect to item 66b, it used to be that pretzels came into Canada attracting a most-favoured-nation tariff of 20 per cent. Now pretzels will attract a duty of only 15 per cent.

Hon. Mr. Croll: All pretzels?

Hon. Mr. Connolly: No; those which come in under the general tariff will still attract a duty of 30 per cent. I also notice—and I wish I had known this some years ago—that under tariff item 530d "hair, curled or dyed" can be imported to Canada at 12½ per cent, 15 per cent or 20 per cent. There may be some people within the sound of my voice who might be interested to know about this, although like me they might not be able to do very much about it!

I do not know whether anybody is interested in tariff item 559e, which has to do with nubs, slugs, slubs, neps or kemps, which are going to come in free hereafter. It is interesting to note that under the previous schedule the tariff rate was "various"!

I also notice that under tariff item 565 saris of any material are to bear a duty of 20 per cent, 22½ per cent or 50 per cent. There may be some ladies who will be interested in this item. I think it too high.

Honourable senators, I feel that a bill like this is a difficult type to discuss in this chamber. But it does give rise to questions about how these tariff changes occur, and we might spend just a few minutes on this because I believe it to be completely pertinent to this measure. Usually when tariff changes are required, the industry involved goes to the Government, to the minister concerned, usually the Minister of Finance or the Minister of National Revenue, and makes representations about the plight of its industry. After consideration of the items concerned the minister may, if the items are not too complicated, apply his policy of more protection, or change the tariff if he sees fit. If the application involves a matter of great complexity he can, under the Tariff Board Act, refer the matter to the board for hearing and decision. That, of course, is what happened in connection with these textile schedules as, indeed, it happened some years ago in connection with the plastic schedule.

The board then arranges a hearing, sets dates, arranges for witnesses to be called by the various parties concerned and hears argument from the people who come before it. Then, after due consideration, it issues its report, which it sends to the appropriate minister. This report can recommend, as indeed the three reports made by the Tariff Board on the textile schedule did, increases in the schedule. This hearing, I think, was very complicated. It involved technical matters.

When the Government receives the report from the board it studies it, and may accept it in whole or in part, or reject it. If the Government is free to accept the report and implement it, then the Government can come to Parliament with its recommended tariff changes. If, however, the Government is not free—and it may not be free because of the GATT treaty—but still agrees with the report of tariff changes recommended by the Tariff Board, its position must be to re-negotiate the items to be affected with other countries signatory to the General Agreement on Tariffs and Trade. That is the negotiation stage, and in this case what would happen, and did happen, was that the Government went to the countries affected and asked for certain increases in the Canadian tariff on these items as they came into Canada. In order to get these increases, Canada had to offer certain other advantages, rate reductions, usually in other fields. In this case, I think they were all outside the textile schedules. Increases were asked in certain textile items in these negotiations, decreases were offered for other items and after those negotiations were completed the minister made the statement of policy on budget night, with the result that we have this bill.

I think it appropriate to say something about the General Agreement on Tariffs and Trade at this point. The original agreement was finally negotiated at the end of 1947 and came into effect on January 1, 1948 for a period of three years. Originally some 28 countries were affected. Now there are over 40 countries, and the treaty has been renewed from time to time with varying changes. The general purpose of this treaty has been to attempt to forestall tariff wars, tariff disputes, between countries, particularly in the post-war period. There is a new re-negotiation coming up under GATT in December of this year, in Geneva. It is rather heartening for people who believe in the general principle of GATT to know that the Government has been able to secure the services of Mr. Hector McKinnon, former Chairman of the Tariff Board, to lead the Canadian team on that occasion. Mr. McKinnon is an old hand on GATT negotiations, and, as honourable senators know, he is one of the very outstanding persons who have been in the Canadian public service.

The situation which obtains in respect of these negotiations is not a simple situation, and the trading patterns that have been developed in today's world are much more complicated than they were before World War II, and certainly more complicated still than they were before World War I, when trade treaties were matters of negotiation between individual countries.

I think it appropriate here, in considering this bill, to look, for example, at the problem created by the establishment of the Common Market, called the Inner Six, in Europe. Among those six countries there is going to be, after a twelve-year period, which has already been shortened, complete free trade. In respect of their dealings with third party countries, they are going to have a common tariff, and the minimum of that tariff, it is expected, will be the average of the six tariffs which now apply. What then is the position of Canada in respect of her tariff policies and her trade policies, in the face of the developments within the Common Market?

Hon. Mr. Hugessen: May I ask the honourable senator a question? Did he say the minimum new tariff would be the average of the present tariff? I thought it was to be the maximum.

Hon. Mr. Connolly (Ottawa West): Well, I would think it might be the maximum; I would hope it might be the maximum. I would hope that it might be even less than the average, but I think in some respects it could be the maximum, too.

Hon. Mr. Thorvaldson: Would the honourable gentleman permit a question? Would he tell me when those decisions were arrived at, to which he is now referring, as to the common tariff against the rest of the world? I ask that because my understanding is that Canada and the United States and other countries are negotiating in regard to these very matters now.

Hon. Mr. Connolly (Ottawa West): Oh, yes, there are continuing negotiations, and the honourable senator from Inkerman (Hon. Mr. Hugessen) and the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), are quite right.

The original scheme for the operation of the Common Market was set out in the Treaty of Rome a few years back. At the present time Professor Halstead, who is running this operation for the Common Market people—and I heard him speak about this matter in Washington—is hoping that this external tariff will be the lowest possible tariff. The Americans and other nationals concerned about the development of affairs within the Common Market area are negotiating as effectively as they can to have that external tariff as low as it possibly can be. Mind you, the point is that many of these countries, in fact, all these countries, are signatories to GATT, so that whatever tariff increases have to be negotiated there will have to be corresponding decreases offered by these

countries in exchange for the increases, just as Canada has had to offer decreases to get the increases on the textile schedule.

I am quite conscious of the difference between the arrangements proposed for the Common Market and the arrangements proposed for the Outer Seven, of which Britain is generally considered the leader. Generally speaking, however, what they will have as between themselves is a free trade area too, and honourable senators I think will appreciate the problem this situation creates for Canada. For example, France and Italy are generally high tariff countries; they are both in the Common Market; their tariffs are bound to come down. Benelux and West Germany have low tariffs. Canada may have had difficulty in getting certain goods into France and Italy. We have not as much difficulty getting goods into Benelux and West German markets because of their low tariffs. But once the new common external tariff has been negotiated, there is going to be a certain amount of resistance to Canadian goods going into those former low-tariff or non-tariff countries like Benelux and West Germany. Likewise, in the Outer Seven, if over a period of years they reach free trade among the seven countries, Danish bacon and butter will have free access to the British market, and Canada of course has a very great interest in selling butter and bacon in the British market. It would mean also that pulp and paper from Sweden would have free access to the British market; and Canada has a great interest there. This free trade arrangement between Denmark, Sweden and British can imperil Canadian markets in the United Kingdom for these products and the commonwealth preferences will not help much.

Honourable senators, what I am saying is this, and perhaps I am painting the lily by saying it, that the trading patterns developing in Europe are matters of very great consequence for a country like Canada, which depends so much upon the sale of her products abroad. The same applies to a new group developing in Latin America. This new group is called LAFTA—the Latin American Free Trade Association. The volume of our trade is not, relatively speaking, very great in that area, but these countries are developing. They are an American group of countries. It is something in which we must continue to have an interest.

I think all this points up the importance of the resolution offered to this house by the honourable senator from Shelburne (Hon. Mr. Robertson). May I also say this, that I think the documentation of the intentions and the beliefs of the Western world as we know it, given by the senior senator from Ottawa (Hon. Mr. Lambert) the other night, indicates most Western countries believe in the principles of the General Agreement on Tariffs and Trade. They are against tariff wars. They desire to move in the direction of the freest possible trade.

Last night the honourable junior senator from Winnipeg (Hon. Mr. Wall) talked about the threat from the economies of the Iron Curtain countries to the economies of the West. It is one thing to have it from him, and it is another thing to have it from the authorities he quoted, but we have it from a greater authority still, with all due respect to him. That authority is the General Secretary of the Soviet Union.

Khrushchev has said, "I will not beat down the West with weapons but I will beat down the West with trade."

There is an increasing urgency on the part of a trading nation like Canada to do everything it can, first to maintain the strength of its own economy, and to co-operate for the development of the economies of the West. The danger to the West, the danger to the trading position of the West, and the danger to the stability of the West arises from the Russian state-trading threat.

Honourable senators, I say the bill before us is a good object bill to consider in this general background. It is technical, it is narrow. I say there are developing new trading patterns. There are developing in this Western world new skills, new processes. There are new countries awakening, and they are going to be factors in the trading that goes on in the West. I say that at the present time what this country needs very much is a bold and imaginative and realistic policy on foreign trade. This policy is not to be found reflected in or emerging from this bill. I am not being critical of the bill, because this bill simply reflects the result of certain mechanical processes which have gone on to produce certain relatively minor tariff changes. But the bill is not an expression of policy.

What we do need in this country and will continue to need with the greatest of urgency is a policy on trade. We must know the direction in which we are going. So, too, we must know how we are to deal with the changing trading patterns with which we are confronted everywhere. What we need in this country, as the honourable senator from Shelburne (Hon. Mr. Robertson) would say if he were here, is the opening of the great debate on trade. This debate is a debate of urgency for the people of Canada. I submit that the policy devised to solve these problems should not be a policy developed out

of panic. We have had policies develop out of panic in recent years. Some of our financial policies have been policies developed because it was too late to do anything except take expedient steps. I think we have been in a panic too in some respects, perhaps in many respects, about our defence policy. I hope the same kind of situation will not develop in our trade policies.

Hon. Mr. Choquette: Honourable senators, by speaking now it is not my object to close the debate. It is merely to answer a question asked by the honourable senator from Ottawa West (Hon. Mr. Connolly). He asked for the number of items in the schedule which are not GATT items. The answer is that all the items listed in Part I of the schedule were negotiated under GATT, while none of the items in Part II (Formal Changes) or Part III (Miscellaneous Changes) were effected by GATT negotiations at this time. However, a good many of the items in Part II and some of those in Part III are and continue to be subject to bindings of rates under GATT.

Hon. T. A. Crerar: Honourable senators, my remarks on this bill will be brief. That I promise in the beginning.

The honourable senator from Ottawa, junior or senior, I am not sure which—

Hon. Mr. Connolly (Ottawa West): Very junior.

Hon. Mr. Crerar: Well, the honourable very junior senator from Ottawa West (Hon. Mr. Connolly) very clearly outlined the process by which the Government arrives at the recommendations that it makes to Parliament in respect to tariffs. To Canada, of course, there is no matter that is more important—and I know it is generally so recognized—than our ability to find markets for our products. Our prosperity will hinge very largely on our success in that respect.

What I wish briefly to draw to the attention of the house is that the greatest difficulty that Canada faces today lies in the high cost of our production. Canada is a high-cost country. Every time that we increase taxes, that we increase wages, we are making it more difficult for our manufacturers of finished materials and producers of raw materials to compete in the markets of the world. The fact is that this whole problem of trade, of finding markets, is not confined alone to the discussion that we may have at Geneva or anywhere else in respect to the tariffs that may apply, but back of it is the question of the costs of getting our goods to the markets of the world. I mention this because in my humble judgment it is a very important factor in this whole problem. It is impossible, I would assume, to have similar conditions in regard to taxes, wages and that sort of thing which affect the cost of production in all the various countries with which we trade. But we must, by all the skills we have, by all the economies we may be able to achieve, find a way if possible to reduce our cost of production so that we can effectively compete.

I think the same is true of the United States. Last year that country had a very crippling steel strike which lasted, as I recall, some 10 weeks. What was the one effect produced by that strike? It was that users of steel in the United States developed import connections with countries in Europe and with Japan, and the steel companies of the United States today are in an era of very low weekly and monthly production of steel partially because of these imports. But the answer is not to check the imports. I have never believed that that was the answer to difficulties in building up our Canadian industries, because by that method we hurt more people than we help. But I repeat, it is vastly important not only for governments but for the people generally to give consideration to this immense problem of how Canada can reach a state of affairs where we can compete more successfully in the world.

I hope to have some remarks to address to the house on the question raised by the honourable senator from Shelburne (Hon. Mr. Robertson), and I may have something more to say at that time upon this particular aspect of the problem.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Choquette, bill referred to Standing Committee on Banking and Commerce.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP—DEBATE CONTINUED

The Senate resumed from Tuesday, June 21, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. F. W. Gershaw: Honourable senators, I want to thank the honourable senator from Shelburne (Hon. Mr. Robertson) for having brought up this subject, because it provides latitude for a broad and general discussion on trade.

Trade is particularly important to Canada, where two out of every five employed persons produce for the export trade. It is important also because of the adverse balance of merchandise trade in Canada today. Last year the value of our imported goods exceeded by $1,460 million the value of the goods exported. Canada badly needs markets because of her vast surplus of foods, paper and other products which we produce.

As has been said here this afternoon, all nations of the world are interested in obtaining markets and improving trade conditions. They are reaching out, they are grasping for markets, and they are to some extent disregarding the welfare of other countries. They are disregarding the mutual concern and benefit of the whole world.

This, honourable senators, was not the attitude of the great leaders of nations who met in various conferences at the end of the last war. It was not the spirit of Locarno. It was not the spirit of Hyde Park, when the great President said that the United States of America would never stand idly by if any foreign country landed hostile troops on Canada. It is far different from the attitude of those who signed the Atlantic Charter, in which they hoped for a peaceful world where all nations could dwell with safety within their own borders and where all men in all lands could live out their lives in freedom from fear and want. Those attitudes seem to be deteriorating as time goes by. There has, however, been co-operation and some splendid agreements have been made, such as the General Agreement on Tariffs and Trade, the North Atlantic Treaty, and others. But, as I said, times seem to be changing and new times demand new measures. So we must act promptly if we are to avoid the depression which seems to be definitely threatening the whole of North America.

A good deal has been said this afternoon about trade, and I should like to bring up one problem which is of fairly recent origin. Let me say that in the province of Alberta there are more than blue skies, prairie flowers and gorgeous scenery. There is a tremendous surplus of fuel. Beneath the surface of the ground in Alberta there are 46 billion tons of coal, or about half the minable coal of all Canada. There are in Alberta about 27 trillion cubic feet of reserves of natural gas, or enough to supply the needs of Trans-Canada Pipe Lines and the province of Alberta for the next 30 years. In addition, some 2½ trillion cubic feet are being discovered every year. At the end of 30 years, instead of having a reserve of 27 trillion cubic feet, we shall have 51 trillion cubic feet.

A thousand barrels of crude oil seems like a lot of oil. But every day the wells of Alberta produce 300,000 to 400,000 barrels. The Alberta Oil and Gas Conservation Board and the Premier of that province say that a million and a quarter barrels of oil could be removed daily without depleting the supply. In fact, it is said that this could go on for another 30 years, and at the end of that time there would still be 12,000 million barrels of oil in the sedimentary rock below the surface of western Canada.

Those figures, honourable senators, do seem fantastic, but they are the very lowest which the many investigations have placed on record. Yet, in spite of that vast supply the oil industry, in particular, is not prosperous. It is not prosperous for one reason only, and that is that it cannot find markets for the oil it produces. Mr. Vernon Taylor, Vice-President of Imperial Oil, who has been investigating this problem, has stated that there is a possible market in the United States. He thinks that within ten years the United States might take a million or a million and a quarter barrels of oil per day from Canada, but we know from experience that the United States market is a very uncertain one. The Americans are always liable to put on restrictions and quotas, and the market is not to be depended upon.

There is, however, one other market which is available, and that is the market in Canada. We use a lot of oil in this country. We have about one automobile for every four persons and we have an average of one tractor on every occupied farm. We use about three-quarters of a million barrels of oil every day, and less than half of it is produced from wells in Canada. Over half of it is imported.

The Borden Royal Commission investigated this problem recently, and it stated flatly that unless the producers could find a market for 700,000 barrels of oil a day by February of next year some arrangements should be made for western oil to reach the Montreal market. Well, February is not very far away, and at the present time there is only

a market for about half of that quantity, so it would seem that action will be needed very soon if that target is to be met.

The crude oil that is used in eastern Canada comes from the Middle East and from Venezuela, and our Commercial Secretary in Venezuela recently made a report on conditions there. He said that the whole economy of that country is based on the export of oil, but lately there has been a change in policy and during the last year, 1959, three different measures were introduced to restrict and limit the importation of certain goods. The Venezuelan people wish to build up their own agricultural industry, and they wish to save their foreign exchange, so they have put restrictions on the importation of such things as powdered milk, flour, automobiles, paper, hams, and things like that. In fact, one measure has really destroyed that market for Canadian flour entirely. In 1958 they took in about $6.5 million-worth of flour, and in 1959, under these restrictions, they imported only about half a million dollars' worth. Our market there for the other products I have mentioned will disappear too if they take a notion to restrict importation of them severely.

That, I think we will all agree, is a movement in the wrong direction. It is a movement away from the free exchange of goods throughout the world, and it is not what the leaders of recent times have hoped would come about. Surely we should do some negotiating with Venezuela. Surely, it does not expect to send its oil here in such large quantities as at present after refusing to accept products which we must sell.

Mr. Taylor has wisely said that the basis and the hope of our oil industry lies in export. He says that the putting on of restrictions and import quotas will stop the importation of oil to some extent, but it will not encourage the export of oil. The great trouble is to find a country to which this oil can be exported. He feels that there would be no hope of western oil getting into the Montreal market, claiming that the cost of transportation and other penalties would more or less outweigh the advantages.

Mr. Charles S. Lee, President of Western Decalta Petroleums, who speaks for the petroleum industry, takes a directly opposite view. He refutes the statement that transportation costs would prevent western oil from getting into the Montreal market. He says it is not true that western oil would cost from 23 to 39 cents per barrel more than offshore oil. His contention is that even if you have to pay the tariff which is mentioned by the pipe line people, 60 cents per barrel, Canadian oil could compete there. He says further that that rate could be reduced to 52 cents per barrel, and he is most insistent that if the target of 700,000 barrels per day set by the Borden Royal Commission is not reached by February the Government should take measures to obtain a pipe line or other method of transportation so that western oil can get into that big Montreal market.

Both these men have made a special study of this problem and we are not able to say which of them is right, but we do know that there is a market in Montreal for 250,000 barrels of oil per day. We do know that if that oil could come from western Canada the treasuries of the dominion and the provinces would gain millions of dollars from taxes and from rentals and things of that kind. We also know that every barrel of oil that comes from offshore has to be paid for in American dollars, and that if that money went to western Canada it would greatly help the producers who have invested large sums of money and have been waiting a long time in the hope of getting results. It would increase employment and the demand for goods, and in that way it would bring a great measure of prosperity to all of Canada.

Hon. T. A. Crerar: Honourable senators, the subject at present under discussion is one of the most important that we have had before this house this session, or, indeed, in many previous sessions. The matter brought to our attention by the honourable senator from Shelburne (Hon. Mr. Robertson) indicates clearly in its terms the importance of it. I cannot help feeling that there are more lions in the path than appear at first glance, which have to be dealt with before the objective of the matter which has been brought to our attention is reached.

I agree with everything that has been said about the importance of international trade to Canada, the importance of finding markets for our products. Down through the ages trade has always been a condition of affairs that has brought countries more closely together. In fact, over 100 years ago, when Bright and Cobden led the forces for low tariffs in Great Britain, the main argument they advanced was that if nations traded more with each other they would tend to understand each other better, and so reduce the possibility of warlike conflict between them.

We look at the problem today and we find that in every country consideration is being given to matters of trade. Probably the most spectacular successes so far in recent years have been in the development of what is known as the European Common Market.

That embraces, as honourable senators know, six countries, the chief of which are France, West Germany and Italy. Fifty years ago no one would ever have considered for a moment that it was possible for countries like Germany and France, traditional enemies for hundreds of years, to come so closely together that they would sit around a table and discuss how they could co-ordinate their economic activities, yet that is precisely what has happened.

After World War I and in the interlude between the two Great Wars—and I mentioned this several years ago in a debate in this house—the great French statesman Aristide Briand laid it down that Europe must integrate or perish. The integration is taking place now. The Common Market countries have a population of over 180 million people and in many respects their economies are complementary to one another. I was rather interested a few days ago to learn from a Canadian civil servant, whom I have known many years and who has spent his last seven years in European countries, that, in his opinion, in the matter of foodstuffs the Common Market countries in Europe would probably within a reasonable time be self-sufficient.

When we think, for instance, of the implications of that in our export of wheat from this country it makes one reflect a bit. What will happen in Europe is at the moment uncertain. Great Britain had an opportunity to join the Common Market countries when this enterprise was undertaken, led by French and German statesmen, but she held back for two reasons. First, she feared the effect it might have on her commonwealth associations in trade and, secondly, she was very doubtful at that time whether it was possible for these European countries like Germany and France, which had been traditional enemies, to come together in a plan of this kind and continue to work together. Throughout the world, particularly in Europe, there was some skepticism as to whether the Common Market ideal could be achieved. But it has been achieved, and the participating countries are more than delighted with the progress they are making. They will reach a point very soon where they will have a common external tariff against the rest of the world. As the honourable senator from Ottawa West (Hon. Mr. Connolly) has said, that state will be reached through reduction of the higher tariffs of France and Italy to the level of the lower tariffs of the Benelux countries and West Germany.

Well, here is a vast area of 180 million people who economically are going to integrate. I think that is as certain as anything can be. Now, what are Britain and the Outer Seven going to do? This is an extraordinarily difficult problem which is facing Great Britain at the moment. She would like to be associated to a certain extent with the Common Market countries. She fears, and with reason, the effect that a common external tariff created by the Common Market countries might have on her trade in Europe, and so she is associating herself with the Outer Seven. However, the Outer Seven, in both population and economic wealth, are nothing like the equal of the Common Market countries. Only last week discussions took place in Paris between Great Britain and the Common Market organization as to how far Britain could associate herself with it. Britain suggested she might be willing to join in what is known as EURATOM and also in the European steel and coal community, but the Common Market countries said, "No, it will be all or none."

In the London *Economist*, which probably has the highest reputation of any economic journal in the world, I found an interesting statement in its leading editorial of a week ago last Saturday, just before the discussion between Britain and the Common Market countries commenced in Paris, and if I may I should like to read one paragraph from it:

> If the present trade talks in Paris end in continued disagreement, one of the most important questions in all our history will be whether Britain should then try to outbid them by offering the full-scale thing.

Hon. Mr. Macdonald: They did end in disagreement, did they not?

Hon. Mr. Crerar: They ended in disagreement; and as the *Economist* pointed out, Britain would then have to consider whether she would modify or abandon her commonwealth preferences and join wholeheartedly on the same terms as the other Common Market countries in this new association in Europe.

The editorial continues—and I would ask the house to note this:

> That would mean joining the Common Market, accepting a gradual integration of social policies, a less gradual integration of economic policies, and the high possibility that this would eventually lead on to radical political coalescence with Europe —the lot.

That is a very important matter before Britain at the moment, and that is the matter which the discussion introduced by the honourable senator from Shelburne (Hon. Mr. Robertson) deals with.

As far as I am concerned, I think Britain would be wise to scrap the commonwealth agreements, if they stand in the way, and join the European community. If she took with her the other countries associated with her in the Outer Seven there would then be

a community in Europe integrated economically which would probably reach 300 million people. The influence of Britain in that European Common Market organization could be nothing but salutary, useful and helpful throughout the world. There is little doubt that the statement made by Briand more than 30 years ago, that Europe must integrate or perish, is in process of realization. If Britain joined the Common Market area with Sweden and Norway and the other countries associated with her now in the Outer Seven, within a decade the group would become a powerful counterweight to the communist countries in Eastern Europe. Europe has been the origin of our modern civilization. In all matters that affect the principles of government she has been the guiding star to the world. In literature and art—in all the qualities that make for a better civilization—Europe has been the great leader for the past thousand years. Therefore, if it were possible to achieve not only economic unity but a large measure of political unity, it would create in Europe a tremendous counterweight to the expansion of the communist philosophy in Eurasia. I think it is certain that the working closer together economically of all these countries would lead to closer political co-operation, and if that happened I would expect that within a few years this vast organization of 300 million people would develop a common foreign policy toward the rest of the world.

Where does that leave Canada? The honourable senator from Ottawa West spoke about the efforts being made in South American countries, half a dozen or more of them, to integrate their economic policies. That leaves Canada and the United States, if we ignore China, which on the whole is a communist bloc. What, then, will be our position? That, honourable senators, is the matter that was raised in the discussion promoted by the honourable senator from Shelburne and personally I think it is of tremendous concern to this country. That honourable senator, who has observed this situation for quite a long time, suggests that we should endeavour to approach the European organizations to see if we cannot become more integrated with them economically. Well, it certainly is worth a trial. But our action, in my humble judgment, will be governed almost entirely by what happens to the United States. If the United States should join that community, then the way is absolutely clear for us. There is no doubt that the United States has given every encouragement to the Common Market countries to get together, not only economically but politically—and for a very good reason, a reason which applies to Canada as much as to the United States. If the countries of Europe can build up economically, if they can unify their ideas politically so as to emerge with a common foreign policy, then they have within themselves the power to build their own strength to match anything that may come against them from the communist countries, even Russia included. When that point is reached, the United States could withdraw its troops from Europe and its missile bases from Great Britain, France and Germany; and Canada could then take its troops back home as well, for there would not be any obligation upon us to help Europe police itself, if she developed her own strength, as it is quite possible for her to do, and as she undoubtedly would do in the emerging picture of these developments. Therefore, in any way we look at it, it seems to me the matter is tremendously important.

When we come back to look at our own economic position we find that we are moving to rather doubtful ground. I have always believed that international trade was the great soothing influence to bring nations closer together in understanding. I believe that as firmly now as I ever believed it in the past. Our prosperity in Canada is bound up almost inextricably with our foreign trade. Look at the picture in reverse. Supposing we say, this is a good deal of a crazy world; we will try to live within ourselves; we will raise tariffs to protect our industries and give employment. Well, we would then be in the position of proceeding to freeze on our own iceberg. If every country did that the net result would be a slowdown in the progress of civilization. By the very nature of things our trade is intimately bound up with the United States; it cannot be otherwise. As far as I am concerned, I am all for the promotion of the freest trade possible with our neighbour to the south. I would lay down one condition. I make bold to say here that as far as Canada is concerned I would favour complete free trade with the United States tomorrow, on one condition—that it be buttressed by a treaty for at least 25 years. If we had such a treaty, an obligation of the United States, that country would live up to it, and we would live up to it. Someone may say that would integrate our two economies. Perhaps it would; but I have confidence enough in Canadians to say that it would not mean, as many might be inclined to think, our political absorption by the United States. Indeed, the great danger to Canadian sovereignty, to Canadian independence, so far as the United States is concerned, is a condition where we cannot find markets for our goods. If we could trade freely with the United States, the greatest market in the world, any impetus to join up with that country in order to secure

economic advantages would disappear. I do not hold with those who are critical of the United States in its trade policies. I know that it has caused us irritation at times. Of course, let us not forget that the irritation has not all been on one side. When we empowered the Government, a few years ago, to assess valuations for duty purposes, that action was directed mainly at the United States and Japan and it did curtail a certain amount of imports from the United States. So we have not been altogether sinless in this respect.

In these dark and gloomy and foreboding times throughout the world today, I do think that the brightest ray of hope that has come to us for a long time is found in this movement in Europe to forget the animosities of the past. Winston Churchill said on one occasion, "We must be good Europeans." It is comforting to realize that Europeans are coming to understand they have a common interest in peace in Europe and the world, and that they are not going to suffer, but will gain, by economic integration. It is no secret that the French went into the Common Market proposition with many doubts and reservations. Now they are enthusiastic supporters of it.

The curious thing is that when you develop and expand trade many of the ghosts you feared will disappear in the morning mists. I think we are grateful to the honourable senator from Shelburne for bringing this matter before us for consideration. I do suggest that there is nothing more important for this country than to consider these grave problems in all their aspects.

If I may allude to it again, one other matter that causes me concern is the height to which our costs in Canada have risen. We may say that we will keep out Japanese imports because their wage scales are one-quarter to one-third of ours, that we will keep out European products because their wage scales also are much lower than ours. But when we do that we draw the strictures a little closer around our own economy, and that is not the road to helpful development.

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

DIVORCE

REPORTS OF COMMITTEE ADOPTED

The Senate proceeded to consideration of reports of the Standing Committee on Divorce Nos. 493 to 510 which were presented yesterday.

On motion of Hon. Mr. Roebuck, reports adopted.

UNIVERSITY GRANTS

NOTICE OF MOTION WITHDRAWN

Hon. W. Ross Macdonald: Honourable senators, before we adjourn I ask the indulgence of the house to revert to Notices of Motion.

Honourable senators will observe on the Order Paper for tomorrow the following notice of motion by the honourable senator from Grandville (Hon. Mr. Bouffard):

That the Senate strongly recommend that the Government give consideration to the payment to Quebec universities of grants or subsidies amounting to over 8 million dollars voted by the Government of Canada, in favour of Quebec universities in 1952-53, 1953-54, 1954-55 and 1955-56.

The honourable senator from Grandville has asked me on his behalf to withdraw that notice of motion, and I do so accordingly.

NOTICE OF INQUIRY

Hon. Mr. Macdonald: Honourable senators, may I now be permitted to revert to Notices of Inquiry?

On behalf of the honourable senator from Grandville I give the following notice for June 28:

That he will draw the attention of the Senate to the anomaly and discrimination maintained against the Province of Quebec universities due to the lapse of subsidies voted in favour of but not paid to such universities during the years 1952-53, 1953-54, 1954-55 and 1955-56, amounting to approximately $9,000,000.

The Senate adjourned until tomorrow at 3 p.m.

79955-1—56

THE SENATE

Thursday, June 23, 1960

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

Prayers.

INTERNATIONAL BOUNDARY COMMISSION BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Norman P. Lambert, Acting Chairman of the Standing Committee on External Relations, presented the following report:

The Standing Committee on External Relations, to whom was referred the Bill (S-35) intituled: "An Act respecting the International Boundary Commission", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Lambert: With leave of the Senate, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Lambert reported that the Standing Committee on External Relations had considered Bill S-35, respecting the International Boundary Commission, and had directed him to report the same to the Senate without any amendment.

Report adopted.

THIRD READING

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

Hon. Mr. Blois: With leave of the Senate, I move the third reading now.

Hon. Mr. Reid: Why the hurry? Next sitting.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Blois, seconded by the Honourable Senator Buchanan, that this bill be now read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Macdonald: Honourable senators, the honourable senator from New Westminster (Hon. Mr. Reid) asked "Why the hurry?" and he did not get an answer to that question.

Hon. Mr. Blois: Honourable senators, my only reason for suggesting that the bill be given the third reading today is that, as all honourable senators know, after it is passed here it has to be considered in the other place. It is getting late in the session and I thought we would save a number of days by passing the bill this afternoon.

Hon. Mr. Roebuck: If anybody raises an objection, let us leave it over until the next sitting.

Hon. Mr. Reid: Next sitting.

Hon. Mr. Aseltine: Honourable senators, I should like to say a word or two on this subject. We had a very satisfactory meeting of the committee which considered the bill this morning. The witnesses were excellent, and their evidence was reported and will be printed. I had this bill initiated in the Senate, in order to show that I was able to get some more Government legislation introduced here rather than in the other place, and in view of the fact that we have given it careful study and that, as was stated by the honourable sponsor of the bill (Hon. Mr. Blois), it still has to be considered in the other place, I was hoping we could send it there today. Of course, we need the unanimous consent of the Senate to do so.

Hon. Mr. Reid: The other place does not seem to be in any hurry to send bills over here.

Hon. Mr. Roebuck: Honourable senators, I suggested that the third reading be given at the next sitting, but I wish to raise a point. As all my colleagues know, I like to see the rules observed. I think that every time someone asks to have something done that is not in conformity with the rules an explanation of the request should be given. Now, a very good explanation has been given by the Leader of the Government (Hon. Mr. Aseltine), and on my part I am quite satisfied to have the third reading of this bill today.

The Hon. the Speaker: The rules provide that a bill may not be read the third time the same day it is reported out of committee, except with leave of the Senate. When leave is given, if the honourable senator who moved the motion desires to make an explanation it should be made after the motion is stated by the Chair.

Hon. Mr. Reid: Honourable senators, in view of the explanation that has been given I am willing to withdraw my objection, but I do not want this procedure to become a common practice.

Hon. Mr. Aseltine: Thank you.

Hon. Mr. Crerar: Honourable senators, may I make one query? If I understood the honourable leader (Hon. Mr. Aseltine) correctly, he stated that a record had been taken of the proceedings of this morning's committee. If it was desired that we give third reading to this bill today—and I have no objection whatever to that being done—why should we have had the committee proceedings reported?

Hon. Mr. Macdonald: For the benefit of the members of the other house.

Hon. Mr. Crerar: We do not need to look after them. They will look after themselves.

Hon. Mr. Macdonald: We do not mind helping them. They need it.

Hon. Mr. Crerar: That may be so, but I am interested in knowing why, if it was thought necessary to give this bill third reading today, we had a *Hansard* report made of the committee proceedings. The printed report is not yet in our hands, and it may not be in the hands of the other place before the bill is considered there.

Hon. Mr. Aseltine: It may be a week before we get the printed proceedings.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-470, for the relief of Shirley Edith Rich Henry.

Bill SD-471, for the relief of Helene Lepine Greig.

Bill SD-472, for the relief of Marion Adelaide Smith Berube.

Bill SD-473, for the relief of Sheila Ethel Mitchell Martin.

Bill SD-474, for the relief of Margaret Hunt Tibbo.

Bill SD-475, for the relief of Simone Laramee Desroches.

Bill SD-476, for the relief of Ethel Bannister Thomas.

Bill SD-477, for the relief of Leo Antonio Gianfrancesco.

Bill SD-478, for the relief of Mary Spalton Humphries.

Bill SD-479, for the relief of Lise DesRosiers Eccles.

Bill SD-480, for the relief of Nicola Salvatore Veri.

Bill SD-481, for the relief of Noreen Elizabeth Cassidy Pineo.

Bill SD-482, for the relief of Marie Therese Barolet Cayer.

Bill SD-483, for the relief of Iris Nellie Armstrong Wedge.

Bill SD-484, for the relief of Lucien Carbonneau.

Bill SD-485, for the relief of Peter Borbely. (Annulment).

Bill SD-486, for the relief of Joseph Pierre Claude Aubin.

Bill SD-487, for the relief of Vladimir Ignatjev.

Bills read first time.

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

Motion agreed to.

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

ORDER FOR SECOND READING STANDS

On the Order:

Second Reading of Bill C-70, intituled: "An Act respecting the International Development Association".—(Honourable Senator Aseltine).

Hon. Mr. Aseltine: Honourable senators, I have been requested by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) to have his bill, the Finance Charges (Disclosure) Bill, dealt with ahead of this order. The honourable senator wishes to close the debate on the second reading of his bill today and he assures me he will not take more than half an hour. I ask leave of the Senate to have this order stand until the honourable senator concludes.

Some Hon. Senators: Agreed.

Order stands.

FINANCE CHARGES (DISCLOSURE) BILL

SECOND READING

The Senate resumed from Wednesday, June 8, the adjourned debate on the motion of Hon. Mr. Croll for the second reading of Bill S-25, to make provision for the disclosure of information in respect of finance charges.

Hon. David A. Croll: Honourable senators, first I wish to thank those who have participated in the debate on second reading of this bill and the many others who have evidenced a keen interest in it. There have been some valuable contributions which indicated a broad understanding of the purposes of the bill. Some of the suggestions that have been made from the floor have serious content. I hope they will be studied in committee.

The purpose of the bill is to have lenders and vendors tell the truth about interest rates and finance charges, and to abolish one of the most pernicious snares in credit, namely, the fine print on the contract which the victim seldom understands when he is putting himself in hock.

It provides, first, that the total finance charges for any loans, bonuses, discounts, and anything else, must be stated clearly in the contract and that the total percentage, in relation to the loan, must be shown in simple annual interest; and, second, that the penalty for breach of the act may be a fine up to $500, or up to six months' imprisonment, or both. Noncompliance would disbar the lender from recovering any interest charges.

This bill would go a long way toward eliminating an evil which has come to light much too often from such activities as are carried on more particularly by the Let-Me-Be-Your-Friend-Finance Company and the Bleeding-Heart-Advantageous Mortgage Company, where hardworking people, tricked by obscure and puzzling language, are assuming a staggering load of debt and interest.

When I last spoke on this bill I gave you some examples, and there are hundreds more that all of us could relate. It can be stated with finality that there is no legislation dealing with: (1) loans over $1,500 by loan or finance companies or otherwise; (2) the very, very wide open field of conditional sales agreements for the purchase of household effects and automobiles, or (3) the abuses under second mortgages which are screaming for a remedy. This bill has been carefully drawn up by competent people on whom this chamber normally relies. The principle of the bill is the disclosure of information. I ask the house to endorse it and to send it on to committee for study.

Section 91 of the British North America Act enumerates the powers of the federal Parliament and, in particular, item 19 specifies interest and item 27 specifies the criminal law. Therefore, there can be no denial that interest and criminal law are within the exclusive competence of the federal Parliament.

I do not believe that there is a constitutional aspect to this bill. I am of the opinion that there is no constitutional question involved—the question is a red herring. When there is no argument on the merits, the constitutional question has a habit of arising, whether it exists or not. If there should be a constitutional question, it can easily be resolved by endorsing the bill in principle, sending it to committee, and obtaining an opinion from Justice or, better still, from the legal officers on whom we normally rely for such opinions.

I shall qualify this bill constitutionally on the basis of criminal law and interest, both within the exclusive prerogative of the federal Parliament. If there is difficulty about details, the matter can be dealt with in committee. There may be some view that the bill attempts to cover too much territory. That is for the committee to say.

I propose to deal with some of the observations that honourable senators who are learned in the law have made concerning the principle of this bill. To begin with—and this is essential—I propose to deal with the constitutionality of the measure.

The honourable gentleman from Toronto (Hon. Mr. Hayden) suggested that in his view this bill could not be vindicated, so far as the jurisdiction of the Parliament of Canada is concerned, under the general heading of "Criminal Law". At the outset I might say that I disagree with him on this point. By paragraph 27 of section 91 of the British North America Act, 1867, the criminal law, including procedure in criminal matters, is assigned exclusively to Parliament. Nor can it be said that the reservation of exclusive jurisdiction to Parliament in this field is to be given a narrow or reactionary connotation.

I do not propose to deliver a lecture on the subject, but in view of the efforts put forward by the honourable senator from Toronto (Hon. Mr. Hayden) and the honourable senator from Ottawa West (Hon. Mr. Connolly) to impugn the constitutionality of the bill, I would like to cite at least three cases in support of the position which I have taken and which I hope other senators will take.

The nature and extent of the power assigned to Parliament in the field of criminal law was not considered by the Judicial Committee of the Privy Council until 1903, when the case of *Attorney General for Ontario v. Hamilton Street Railway* (1903) A.C. 524, was considered by that body, which of course was then the ultimate tribunal in that field. What was under consideration was the validity of an Ontario statute entitled "An Act to prevent the profanation of the Lord's Day". In holding the provincial statute *ultra vires*, Lord Halsbury said, at page 529:

> The reservation of the criminal law for the Dominion of Canada is given in clear and intelligible words which must be construed according to their natural and ordinary signification ... It is, therefore, the criminal law in its widest sense that is reserved ...

There were, prior to 1931, a number of cases, which I do not consider it necessary to cite, which appeared to restrict the meaning of "Criminal Law". However, in the case

of *Proprietary Articles Trade Association v. Attorney General for Canada* (1931), A.C. 310, the validity of the Combines Investigation Act was in dispute. The act was upheld as being in the domain of "Criminal Law", and it has been said by Mr. F. P. Varcoe, the former Deputy Minister of Justice and Deputy Attorney General for Canada, at page 116 of his excellent work *Legislative Power in Canada:*

> This judgment is perhaps the most important rendered by the Judicial Committee on the subject of criminal law.

In the case cited, Lord Atkin said, at pages 324-4:

> If Parliament genuinely determines that commercial activities which can be so described are to be suppressed in the public interest, their Lordships see no reason why Parliament should not make them crimes. "Criminal law" means "the criminal law in its widest sense": A.-G. for Ontario v. Hamilton Street Railway Company, (1903) A.C. 524. It certainly is not confined to what was criminal by the law of England or of any province in 1867. The power must extend to legislation to make new crimes. Criminal law connotes only the quality of such acts or omissions as are prohibited under appropriate penal provisions by authority of the state. The criminal quality of an act cannot be discerned by intuition; nor can it be discovered by reference to any standard but one: Is the act prohibited with penal consequences? Morality and criminality are far from co-extensive; nor is the sphere of criminality necessarily part of a more extensive field covered by morality —unless the moral code necessarily disapproves all acts prohibited by the state, in which case the argument moves in a circle. It appears to their Lordships to be of little value to seek to confine crimes to a category of acts which by their very nature belong to the domain of "criminal jurisprudence"; for the domain of criminal jurisprudence can only be ascertained by examining what acts at any particular period are declared by the state to be crimes, and the only common nature they will be found to possess is that they are prohibited by the state and that those who commit them are punished. Their Lordships agree with the view expressed in the judgment of Newcombe, J., (1929) S.C.R. 409, 422, that the passage in the judgment of the Board in the *Board of Commerce* case, (1922) 1 A.C. 191 at 198-199, to which allusion has been made, was not intended as a definition. In that case their Lordships appear to have been contrasting two matters —one obviously within the line, the other obviously outside it. For this purpose it was clearly legitimate to point to matters which are such serious breaches of any accepted code of morality as to be obviously crimes when they are prohibited under penalties. The contrast is with matters which are merely attempts to interfere with provincial rights, and are sought to be justified under the head of "Criminal law" colourably and merely in aid of what is in substance an encroachment.

Since the Supreme Court of Canada acquired utlimate jurisdiction in criminal matters, it has had occasion, and very recently, to consider the meaning of "Criminal Law" as used in the British North America Act. I refer, of course, to the famous "Padlock Law" case, namely: "Switzman v. Elbling and Attorney-General of Quebec", decided in 1957. In that case, all of the judges, saving only Mr. Justice Taschereau, held that the Padlock Law—technically the Communistic Propaganda Act, R.S.C. 1941, c.52—was beyond the power of the province of Quebec to enact because it was legislation in relation to criminal law.

Moreover, honourable senators, it is my submission that the whole of the bill is valid under the general heading of "Criminal law".

Clause 3 of the bill provides for an offence punishable on summary conviction which carries with it a comparatively small penalty, namely, by section 694 of the Criminal Code of Canada, a fine of $500, or imprisonment for six months, or both. However, clause 4 of the bill also provides a penalty in the nature of the forfeiture provisions which are found throughout the Criminal Code. That is to say, any person who carries on the business of extending credit and furnishes credit to any other person, without fair disclosure, is not, under this bill, entitled to recover any of the finance charges if these have not been disclosed in their entirety.

The bill before the house, therefore, goes further than any of the federal or provincial measures now on the statute books. The person victimized does not have to sue, or even lay a charge. He may, and should be able to, if adequate publicity is given to this bill, simply refuse to pay the finance charges. Therefore, there is in this bill a built-in antenna, or a form of automatic protection, which knowledge alone is sufficient to invoke.

I should add that it was not the intention of clause 4 that the person receiving credit should not repay the outstanding principal obligation or unpaid balance in the event of non-disclosure. I personally agree with the interpretation placed upon this clause by the honourable senator from Inkerman (Hon. Mr. Hugessen) rather than on the suggestion made by the honourable senator from Hanover (Hon. Mr. Brunt). However, should there be any doubt in anyone's mind as to what is intended, the matter may be easily rendered beyond doubt in committee.

Hon. Mr. Choquette: Will the honourable gentleman permit a question? If the borrower refuses to pay, he would be sued, I take it, in a civil court. I presume that he would defend the action and that the federal authorities would have notice of the case and would lay a charge. Would the borrower then not have to give evidence, and is that not the only way by which the federal authorities could get hold of the case?

Hon. Mr. Croll: I think the honourable gentleman is right. I agree with that.

I could extend my remarks in this regard. However, it seems to me that, as the eminent judges whom I quoted have said, criminal law as used in our constituting statute bears a meaning broad in its scope. We are living in a highly complex and industrial society, which is characterized, perhaps in particular, by the extension of credit. Credit is not in itself a bad thing, but the abuse of credit, by those extending it as a business matter, by the non-disclosure of the substantial amounts which the person receiving the credit will be required to pay, is in my opinion, as I have said before, an extremely bad thing. We are not living in the horse-and-buggy days or in the days when horse stealing was a capital offence. Time marches on. Lord Atkin wisely said:

> That which is criminal, or that which may properly be declared criminal by the appropriate body, must obviously vary with the times.

I suggest to honourable senators that when we deal with the extension of credit today, we will be dealing with something that is vital and important. It is the most important single factor in our economy. We cannot turn back the clock, or if we can we should not. Moreover, if the essence of criminal law is legislating against evil we should, in my opinion, legislate against current evils which affect adversely large numbers of our people. I commend to the consideration of this honourable house, particularly in view not only of the classic statements which I have quoted but of the recent decisions of the Supreme Court of Canada, the proposition that this legislation is properly in the nature of criminal law and thus within the jurisdiction of the Parliament of Canada.

There is such a thing as commercial criminality recognized by our laws.

If there is still some doubt as to the constitutionality of this bill—there is none in my mind—then we can take a look at the bill as having to do with interest, which, too, is within the prerogative of the federal Parliament. I have already indicated that Parliament is given this prerogative by section 91 of the B.N.A. Act, subsection 19.

The matter came before the Banking and Commerce Committee of the House of Commons in 1938, when that committee was making a study of a bill intituled "An Act respecting interest on small loans". Mr. F. P. Varcoe, Q.C., then Deputy Minister of the Department of Justice, was asked to give an opinion on its constitutionality, which he did. It appears on page 421 of the *Report respecting Small Loan Companies,* No. 14 of the proceedings of that committee, dated Wednesday, June 1, 1938.

In order that there may be continuity, I ask that Mr. Varcoe's opinion be printed in *Hansard.* I will make comments on it as I go along, if the house will grant permission.

Hon. Mr. Macdonald: Agreed.

Note: The document presented by Hon. Mr. Croll reads:

With a view of determining the matter of jurisdiction, the committee asked for an expression of opinion from the Department of Justice and were advised by Mr. F. P. Varcoe, K.C., as follows:—

First: That a project for the regulation of money lenders which would fall short of complete control would probably be inadequate and almost useless.

Secondly: That the department concluded to advise the committee as to the powers of Parliament by reference to a feasible project as follows:—

No sum in excess of X per cent of the principal sum loaned shall be exacted from the borrower as:—

1. Interest, that is to say, compensation for the use of money and for the risk of its total or partial loss; and

2. Service charges, whether genuine or interest disguised as such; and

3. Disbursements, real or fictitious; and any sum exacted in excess of such per cent shall be deemed oppressive and usurious, exposing the lender to criminal proceedings and invalidating the contract.

Furthermore, if the lender requires the borrower to make any expenditure—that is, imposes an obligation on the borrower to obtain a chattel mortgage, let us say, or make any expenditure to a third person—in connection with the loan as a result of which the cost of the loan exceeds the aforesaid X per cent, the lender shall likewise be guilty of an offence and the contract invalidated.

Dealing with items of charge mentioned in paragraphs 1, 2 and 3, viz, interest, charges and disbursements of the lender, the projected provisions are justifiable constitutionally, first, as being legislation in relation to interest, or as being indispensably or reasonably ancillary to interest legislation.

The differentiation between true interest charges and service charges is so difficult (they are in many cases probably indistinguishable) and the possibility of disguising interest as other charges is so great that it becomes indispensably or reasonably necessary to regulate or fix these charges in order to make good the interest restriction and there appears to be no reason why the ancillary doctrine may not be relied on notwithstanding that the restriction of the rate of interest and the ancillary restriction of the service charges are contained in one and the same restrictive regulation.

Further, the principal ingredients in the gross sum charged the borrower is interest and if Parliament fixes a maximum gross charge, it must be presumed that if the sum is exceeded an excessive interest charge is being made; therefore, the fixing of a gross maximum charge constitutes a limitation of the rate of interest.

The imposition of a gross maximum charge would have this effect, that in each case the interest ingredient therein would be fixed by reference to the other ingredients. It is arguable that by this means there would be a fixing of the interest charged in each case.

Then again, it is to be borne in mind that interest is not only compensation for the use of money but also compensation for accepting the risk of loss. The service charges, for example chattel mortgage expenses, are, theoretically at any rate, made to protect the lender against loss.

Parliament, therefore, in restricting certain of the charges which the lender can make against the borrower is limiting the compensation for accepting the risk of loss and so is legislating in relation to interest or at the worst is enacting legislation necessarily ancillary to interest legislation.

It is noteworthy in this connection that, in England, Parliament, when legislating respecting loan societies and money lenders, found it necessary to prohibit the making of charges for expenses (Money Lenders Act, 1927, s. 12, and Loan Societies Act, 1840, s. 23), and in the Money Lenders Act of 1900, excessive interest charges and excessive expenses were treated as equivalent grounds for setting the contract aside.

Secondly, the projected legislation already referred to may be justified as being in relation to criminal law. The charging of an amount in excess of a maximum gross might be regarded as oppressive and usurious.

Thirdly, there is the power to regulate trade and commerce. The lending by money lenders of money at interest is a business which falls in the dominion field of regulation. The combined effect of the assignment of the subject of the regulation of trade and commerce and the assignment of the subject of interest to Parliament would seem to enable Parliament to deal with all the activities of money lenders.

This analysis leaves to be considered expenditures made by the borrower on the demand or requisition of the lender, e.g., legal fees for chattel mortgages, etc. If the lender imposes an obligation or requirements on the borrower to make an expenditure which raises the cost of the loan to a point in excess of the maximum gross fixed, the result, it would seem, is indistinguishable from the case where the lender himself makes the expenditure and claims to be reimbursed. After full consideration, it would appear that, for the reasons mentioned in connection with direct charges by the lender, Parliament has the power to fix the maximum gross cost of the loan including expenditures by the borrower on demand of the lender.

If the views expressed are correct there would seem to be no doubt that the money lenders might be required by Parliament to be licensed.

Hon. Mr. Croll: The honourable senator from Toronto (Hon. Mr. Hayden) referred to this opinion and purported to read it. He did read from the opinion, but he inadvertently omitted to read all of it. He read the paragraphs which appear on pages 660 and 661 of *Hansard* of May 24, but then he inadvertently skipped two middle paragraphs which are the very essence and go to the heart of the constitutionality of the bill. Now I will read them. Here are the paragraphs which my honourable friend omitted to read after the word "contract" at the top of page 661:

> Furthermore, if the lender requires the borrower to make any expenditure—that is, imposes an obligation on the borrower to obtain a chattel mortgage, let us say, or make any expenditure to a third person—in connection with the loan as a result of which the cost of the loan exceeds the aforesaid X per cent, the lender shall likewise be guilty of an offence and the contract invalidated.

Now, listen to these words:

> Dealing with items of charge mentioned in paragraphs 1, 2 and 3, viz, interest, charges and disbursements of the lender, the projected provisions are justifiable constitutionally, first, as being legislation in relation to interest, or as being indispensably or reasonably ancillary to interest legislation.

That is the opinion of Mr. Varcoe, given in 1938.

The whole principle of the Small Loans Act, which has been one of the most helpful and best administered federal statutes, is based entirely on the "cost" of a loan. The "cost" of a loan is defined in paragraph (a) of section 2 of that act, chapter 251 of the Revised Statutes, as follows:

> 2. In this act,
>
> (a) "cost" of a loan means the whole of the cost of the loan to the borrower whether the same is called interest or is claimed as discount, deduction from an advance, commission, brokerage, chattel mortgage and recording fees, fines, penalties or charges for inquiries, defaults or renewals or otherwise, and whether paid to or charged by the lender or paid to or charged by any other person, and whether fixed and determined by the loan contract itself, or in whole or in part by any other collateral contract or document by which the charges, if any, imposed under the loan contract or the terms of the repayment of the loan are effectively varied.

The Small Loans Act of course goes much further than this legislation in its somewhat narrower field. Administrative control and control over licensing of federal lending agencies in the small loans field is provided for in the act, and the basis for all this is the "cost" of a loan as defined above. It appears quite obvious to me that to impugn the validity of the Disclosure Bill now before the house is to attack the very vitals of the Small Loans Act. I am not impugning the validity of the Small Loans Act directly, nor by establishing the validity of the proposed legislation on the ground of interest am I doing so indirectly. I believe in the validity of both pieces of legislation.

I have dealt at some length with the constitutionality of the measure now before the house. I have done so because, in my view, the principal assaults that have been launched against the bill have been of a constitutional character.

I have heard no serious attack on the merits of the bill, although I must say in frankness that a considerable number of red herrings have been drawn across the trail.

Having established, as I believe I have, the legality of this bill, I now propose to deal, not particularly with those red herrings, which must have disintegrated in the light of the discussion, but with the impact of the measure upon the provincial and federal legislation presently existing.

May I first deal with the provincial legislation, which has been referred to by the honourable gentleman from Toronto and others. In my view, such of the bills as have

been mentioned deal in a considerable measure with the matter of interest, a subject-matter assigned exclusively to the legislative authority of the Parliament of Canada. Moreover, when I hear reference to "unconscionable" practices, I merely wonder how unconscionable a thing can be before it becomes criminal in character. Froude has wisely said:

> Crime is not punished as an offence against God, but as prejudicial to society.

However, I am not here to impugn the validity of any provincial legislation which seeks to achieve a good object.

All I am prepared to say is, this matter of non-disclosure of finance charges should not be dealt with in a parochial or piecemeal fashion. The problem, in my humble submission, is a national problem which is as fraught with danger in Newfoundland as it is in Vancouver Island and, of course, at all intermediate points.

In the old days, when a bargain was made about a horse—then essential to civilization—the bargain was clearly understood or somebody would suffer in one way or another. Our civilization today, and I say this at the risk of repetition, is largely dependent, not upon the horse, but upon the extension of credit. Let us be as zealous of safeguarding people against any abuses which may attend upon the extension of credit as our forefathers were in protecting society against horse thieves.

I say again that the problem is national and must be dealt with in a national and uniform way. I say further, that the proposed bill, although I am not wedded irrevocably to its precise language, is fully constitutional under the headings of "Criminal Law" and "Interest". However, it has been drawn to our attention that there is some fragmentary federal legislation dealing with the matter of disclosure. It has also been drawn to our attention that there may be some financial institutions, federally regulated, which should be absolved from any further responsibility in the matter of disclosing finance charges. If this is so—and I must emphasize that in dealing with this bill we are dealing with the extension of credit only—let the matter be discussed in committee, where we will have available to us the best talent and the fullest information to enable us to adjudicate the matter properly.

I make no apology for commending this bill to the favourable consideration of this honourable body. It is a bill which I am convinced is right in principle and which is constitutionally within the legislative jurisdiction of the Parliament of Canada. I am not going into the minor details or minor modifications, but I am satisfied, as I am sure all honourable senators are satisfied, that this bill, if it is given the second reading, will receive the careful attention of one of the most competent committees in the British parliamentary system, namely, the Standing Committee of the Senate on Banking and Commerce. If modifications there should be, let them be done there.

On the other hand, again at the risk of some repetition, the question before this house now is not on the matter of details or modifications, but on a question of principle, and an important question of principle. I hope and trust that all honourable senators will consider this question of principle and reach a decision on whether or not to vote for this measure on the principle itself.

It may be that some honourable senators will think that this bill should properly be in the form of an amendment to existing legislation, such as the Interest Act or the Small Loans Act. I think myself that, dealing as it does with specific problems not yet dealt with nationally, it should stand of itself. This problem too may be worthy of consideration in committee.

Honourable senators, I have only two further observations to make.

In the first place, this is not a partisan bill. It is a bill which I have introduced personally, seconded by the Honourable Senator from Toronto-Trinity (Hon. Mr. Roebuck). I have noticed that during the debate there has been some support indicated from both sides of the house and that some measure of disagreement has been evinced by both sides also. I do not believe that this proposal should become a partisan matter in any way, and I hope indeed that, if there is a division, the house will not divide along party lines.

My second observation is this: I do not feel that it would be in the interests of this honourable body to be regarded as being primarily interested in "big money" or even "big business". The Senate must act, as it has usually acted, in the interests of the people of Canada as a whole. We must never forget the individual—the little man or woman who is victimized. On the contrary, we must regard their interests to be of paramount importance.

I hope, as I say, that this measure will be agreed to in principle and that the fullest possible consideration may then be given to its precise terms and, if you will, to its constitutionality, in the Standing Committee on Banking and Commerce to which, if the bill gets second reading, I shall move that it be referred.

Honourable senators, I ask for your endorsation of this bill.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Croll, bill referred to Standing Committee on Banking and Commerce.

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

SECOND READING

Hon. John G. Higgins moved the second reading of Bill C-70, respecting the International Development Association.

He said: Honourable senators, the International Bank for Reconstruction and Development was established at the end of the 1939-45 war by a number of countries whose names are set out in Schedule A to the bill now before us. The main purpose of the bank is to assist in the reconstruction and development of territories of member countries by facilitating the investment of capital for productive purposes.

The International Bank for Reconstruction and Development—which I shall henceforth in my remarks refer to as "the bank"—fulfils its purpose mainly through the provision of loans. Since its inception it has made 260 loans, amounting to some $5 billion. In recent years most of the loans made by the bank have been to finance projects in less-developed countries. I have been informed there has been no default in repayment.

All the powers of the bank are vested in the Board of Governors, which consists of one governor and one alternate for each member of the bank. The governor for Canada is the Honourable Mr. Fleming, Minister of Finance, and the alternate is Mr. Plumptre, Assistant Deputy Minister of Finance.

The articles of agreement of the bank call for an annual meeting of the Board of Governors. At the last annual meeting of the board the governors adopted a resolution which was put forward by the United States representatives for the executive of the bank to formulate articles of agreement of an International Development Association for transmission to the member governments of the bank. Pursuant to this resolution the executive directors drafted and approved for transmission to the member governments the articles of agreement of the International Development Association, which are annexed to the bill before us.

The purpose of the bill is to seek parliamentary approval of the articles of agreement which are set forth as a schedule to the bill, and to authorize the Minister of Finance to pay the subscriptions assigned to Canada under the articles of agreement. The Canadian subscription has been set at the Canadian dollar equivalent of $37.83 million in United States funds. This subscription is payable in five annual instalments. The first subscription will amount to $8.7 million, and subsequent instalments are of $7.3 million each.

The purpose of the International Development Association is for more economic development, increased productivity, and raised standards of living in the less-developed areas covered by the association members. It would do this by providing finances to the less-developed areas covered by its membership. The financing will be in the form of loans. The loans will be in terms more flexible and bearing less heavily on the balance of payment in the less-developed areas than the terms of loans obtained through conventional sources, including the International Bank of Reconstruction and Development. The terms under which the loans will be extended are not specified in the articles. They might take various forms. For instance, payment of the principal and interest might be in local currency, or the interest rates might be below current commercial rates, or there might be a long period of grace before payment of principal begins.

Only members of the bank are eligible for membership in the association. The members of the bank, as I have said, are those countries set out in Schedule A of the agreement, at page 23 of the bill. It is hoped that all members of the bank will become members of the association.

The proportionate scale of subscriptions assigned to members is the same as the one used by the bank, and they are set out in Schedule A. The amount paid by each country has been determined by taking into account such factors as population, gross national product, volume of trade, and others.

The payment of contributions is dealt with in article II of the articles of agreement.

Ten per cent of the initial subscription of each member is payable in gold or freely convertible currency. The remaining 90 per cent is payable in gold or convertible currency in the case of members listed in Part I of Schedule A, and in the currency of the subscribing members in the case of members listed in Part II of Schedule A. Total subscriptions will amount to $1 billion, if all members of the bank join the association. The more economically advanced countries, which are listed in Part I of Schedule A, will subscribe $763.07 million, and the less economically advanced countries, listed in Part II, will subscribe $236.93 million.

The International Development Association will be established as an affiliate of the bank. It will have the same board of directors, and

the president of the bank shall be the president of the association, and to the extent possible the staff of the bank is to be appointed to serve as the staff of the association. However, it is set out in the bill that the association is a distinct organization and is entirely apart from the bank, except that it will have the same officers.

The association will not commence operation until September 15, 1960 and the articles of agreement will remain open for signature until December 31, 1960. This means that any member of the bank can join the association at any time up to December 31, 1960. The agreement will not come into force until it has been signed by Governments whose subscriptions comprise not less than 65 per cent of the total subscriptions.

The articles of agreement authorize the association to accept supplementary contributions in a currency other than the currency of the country making the supplementary contribution. Thus, a country holding counterpart funds in another country may offer to put these funds at the disposal of the association. In considering such offers, the association will pay due regard to the possibility of effectively using the supplementary contributions, and to their possible inflationary and other undesirable effects.

The articles of agreement also provide that in the procurement of goods and services required for projects which it is financing the association shall give due regard to considerations of competitive international trade. The association will seek to subject the procurement of goods and services to the maximum amount of international competition and, whenever possible, to international competitive bidding. Firms from all member countries, including Canadian firms, will thus have the opportunity to provide the goods and services to be financed by the association.

If honourable senators wish I can give the important sections of the agreement. I might say that the bill, as you will notice, consists of only a little more than one page, and its purpose is to confirm the agreement and to authorize the Minister of Finance to pay the amount allotted to Canada under the terms of the agreement.

On page 3, which is the first page of the agreement, article I sets out the purposes, as follows:

> The purposes of the association are to promote economic development, increase productivity and thus raise standards of living in the less-developed areas of the world included within the association's membership, in particular by providing finance to meet their important developmental requirements on terms which are more flexible and bear less heavily on the balance of payments than those of conventional loans, thereby furthering the developmental objectives of the International Bank for Reconstruction and Development (hereinafter called "the bank") and supplementing its activities.

Membership is dealt with in article II, and section 1(a) reads as follows:

> The original members of the association shall be those members of the bank listed in Schedule A hereto which, on or before the date specified in article XI, section 2 (c), accept membership in the association.

The date mentioned in section 1(a) is set out on page 21 in article XI, section 2(c) of which reads:

> This agreement shall remain open for signature until the close of business on December 31, 1960, at the principal office of the bank, on behalf of the governments of the states whose names are set forth in Schedule A, provided that, if this agreement shall not have entered into force by that date, the executive directors of the bank may extend the period during which this agreement shall remain open for signature by not more than six months.

Section 1(b) of article II reads:

> Membership shall be open to other members of the bank at such times and in accordance with such terms as the association may determine.

Article III, on page 5, deals with additions to resources; and section 1, dealing with additional subscriptions, reads:

> (a) The association shall at such time as it deems appropriate in the light of the schedule for completion of payments on initial subscriptions of original members, and at intervals of approximately five years thereafter, review the adequacy of its resources and, if it deems desirable, shall authorize a general increase in subscriptions. Notwithstanding the foregoing, general or individual increases in subscriptions may be authorized at any time, provided that an individual increase shall be considered only at the request of the member involved.

Currency is dealt with in article IV.

Article V says:

> The association shall provide financing to further development in the less-developed areas of the world included within the association's membership.

On page 9, and still in article V, there is a reference to competitive arrangements:

> The association shall make arrangements to ensure that the proceeds of any financing are used only for the purposes for which the financing was provided, with due attention to considerations of economy, efficiency and competitive international trade and without regard to political or other non-economic influences or considerations.

On page 10, under article VI, "Organization and Management", section 1 reads:

> The association shall have a board of governors, executive directors, a president and such other officers and staff to perform such duties as the association may determine.

Section 2 reads:

> All the powers of the association shall be vested in the board of governors.

And then it sets out that each governor and alternate governor of the bank shall also be a governor and alternate governor of this association.

On page 12, section 4 of article VI deals with executive directors. Paragraph (b) of section 4 reads:

The executive directors of the association shall be composed *ex officio* of each executive director of the bank who shall have been (i) appointed by a member of the bank which is also a member of the association, or (ii) elected in an election in which the votes of at least one member of the bank which is also a member of the association shall have counted toward his election.

Paragraph (a) of section 4 says:

The executive directors shall be responsible for the conduct of the general operations of the association, and for this purpose shall exercise all the powers given to them by this agreement or delegated to them by the board of governors.

The board of governors meets only once a year and decides on various matters, and its work is done by the executive directors in the interval.

Section 3 of article VI, on page 12 of the bill, deals with voting. It provides:

(a) Each original member shall, in respect of its initial subscription, have 500 votes plus one additional vote for each $5,000 of its initial subscription.

Article VII deals with withdrawal, suspension of membership, and suspension of operations. Section 1 of this article deals with withdrawal by members. It reads:

Any member may withdraw from membership in the association at any time by transmitting a notice in writing to the association at its principal office. Withdrawal shall become effective upon the date such notice is received.

Honourable senators, I would again like to draw your attention to Schedule A on page 23 of the bill. You will notice that under Part I of this schedule the more economically advanced countries are listed, while under Part II the less-developed countries are listed. You will observe that the initial subscriptions on the part of the more economically advanced countries total $763.07 million, of which the United States contributes $320.29 million, the United Kingdom $131.14 million, the Netherlands $27.74 million, Japan $33.59 million, France $52.96 million, and so on.

The countries listed in both Part I and Part II of Schedule A form the countries which make up the International Bank for Reconstruction and Development and, as I said, it is hoped that these countries will also form the International Development Association. Any of these countries can join the association before December 31, 1960.

Hon. Mr. Pratt: I would like to inquire whether the amounts to be initially subscribed by the various countries as listed in Part I and Part II of Schedule A were agreed upon by the countries.

Hon. Mr. Higgins: Those are the amounts that have already been paid to the International Bank. The same proportionate scale is to be followed by this new association. The contributions are to be made on a proportionate basis.

Hon. Mr. Pratt: Is there any relationship between this association and the International Finance Corporation, with respect to the payment of money for the protection of industry? Canada has subscribed several millions of dollars through that source.

Hon. Mr. Higgins: The International Bank gives loans at the usual rate of interest and under certain terms which probably would be impossible for the under-developed countries to meet. This association has been formed for the purpose of helping out these underdeveloped countries which cannot afford to pay in United States or Canadian currency but whose own currency would be accepted.

Hon. Mr. Pratt: Is the money to be paid directly to the industries in those underdeveloped countries or through their governments?

Hon. Mr. Reid: We can get that information in committee.

Hon. Mr. Higgins: If my honourable friend had given me short notice I would have been able to give him the answer.

Hon. Mr. Aseltine: It is in the agreement.

Hon. Mr. Higgins: Paragraph (c) of section 1 of article V of the bill reads:

The association shall not provide financing if in its opinion such financing is available from private sources on terms which are reasonable for the recipient or could be provided by a loan of the type made by the bank.

Paragraph (d) of the same section reads:

The association shall not provide financing except upon the recommendation of a competent committee, made after a careful study of the merits of the proposal. Each such committee shall be appointed by the association and shall include a nominee of the governor or governors representing the member or members in whose territories the project under consideration is located and one or more members of the technical staff of the association.

Hon. Mr. Hugessen: I believe the question of the honourable gentleman from St. John's West (Hon. Mr. Pratt) is answered by subsections (c) and (d) of article V on page 9, where it is provided:

(c) The association may provide financing to a member, the Government of a territory included within the association's membership, a political subdivision of any of the foregoing, a public or private entity in the territories of a member or members, or to a public international or regional organization.

(d) In the case of a loan to an entity other than a member, the association may, in its discretion, require a suitable governmental or other guarantee or guarantees.

Hon. Mr. Pratt: Thank you.

Hon. Mr. Higgins: I wish to thank the honourable senator from Inkerman (Hon. Mr. Hugessen) for providing that information. I was looking for it and would have found it eventually, but in doing so I might have read too many paragraphs, to the boredom of honourable members.

Hon. Mr. Hugessen: I just happened to strike the reference before my honourable friend did.

Hon. W. Ross Macdonald: Honourable senators, I am sure we are all in favour of this bill, for the reason that its purposes are laudable. The honourable senator from St. John's East (Hon. Mr. Higgins), referring to article I of the agreement, said that the purposes of the association are to promote economic development, increase productivity and thus raise standards of living in the less-developed areas of the world.

We all support any project which will accomplish what this agreement endeavours to do. I understand that the idea of this association originated in the United States of America. Today, when we hear so much criticism about that country, which I personally feel is not at all warranted, it is very refreshing to have a bill presented to this house with these worthy objects in mind, the idea of which originated in the United States.

Honourable senators, I am in agreement with this bill and I hope that it will receive second reading and be sent to committee. I understand that a gentleman by the name of Mr. L. Rasminsky has a fund of knowledge as to what is being done in these underdeveloped countries, and I think it would be most interesting to have him give us information on this matter in committee.

Hon. A. K. Hugessen: Honourable senators, I have just one comment to make and one question to ask. To my mind it is very interesting to see the list of member countries which have undertaken to become associated with the International Development Association. The list includes two members of the communist bloc. If honourable members will look at page 23 of the bill they will see that one of the countries becoming a party to this agreement is China—

Hon. Mr. Pearson: Is that not Nationalist China?

Hon. Mr. Hugessen: —which has undertaken to provide $30 million. Another country, Yugoslavia, has undertaken to provide $4 million. So in a sense this is an international agreement which cuts across the Iron Curtain. I think everyone agrees that this is an admirable thing. The more we can get the countries of the world to work together for mutually profitable interests, regardless of particular political affiliations, the better it will be.

The question I wish to ask, and perhaps my honourable friend from St. John's East (Hon. Mr. Higgins) can answer it, arises out of section 1 of article XI. I am not sure whether he referred to it, but it provides that the agreement shall come into force when it has been signed on behalf of Governments whose subscriptions comprise not less than 65 per cent of the total subscriptions set forth in Schedule A. I wonder if he could tell us how many Governments have become parties to this agreement so far. How far have they got toward the 65 per cent which is necessary before the agreement becomes effective at all?

Hon. Mr. Higgins: I am afraid I have not the slightest idea. I am sorry, I did not think of that question arising.

Hon. Mr. Haig: Can we not get that in committee?

Hon. Mr. Higgins: I suppose so.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

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

Hon. Mr. Macdonald: Honourable senators, it occurs to me that this is a bill of the type which should go to the Committee on External Relations. We had a splendid meeting of that committee this morning under the chairmanship of the honourable senator from Ottawa (Hon. Mr. Lambert).

Hon. Mr. Aseltine: Honourable senators, I am wondering if that is feasible. There are five or six bills going to the Banking and Commerce Committee, which probably will have to sit more than one day a week to deal with them. However, if it is possible to have the bill dealt with by the Committee on External Relations, I am agreeable.

Hon. Mr. Macdonald: If that were done it would lighten the load of the Banking and Commerce Committee.

Hon. Mr. Aseltine: This is a financial bill of considerable proportions, and it seems to me that it should be referred to the Banking and Commerce Committee.

On motion of Hon. Mr. Hugessen, bill referred to Standing Committee on Banking and Commerce.

RAILWAY BILL

SECOND READING

The Senate resumed from Wednesday, June 15, the adjourned debate on the motion of Hon. Mr. Aseltine for the second reading of Bill C-61, to amend an act to amend the Railway Act.

Hon. W. Ross Macdonald: Honourable senators, the purpose of this bill is to provide funds for ensuring the safety of the public at grade separations and level crossings, and also for protecting the public at level crossings when freight cars are on the tracks and blocking the highway. I will not go into the last feature of the bill. That feature was discussed when the bill was before the house the other day, and I understood that the Leader of the Government (Hon. Mr. Aseltine) was to get additional information, which no doubt he will give to the house when he closes the debate.

In connection with grade crossings, the bill provides that where there is at the present time automatic protection, such as flashing lights, gates, et cetera, the grade crossing fund will provide 80 per cent of the cost, the railway 7½ per cent, and the municipality or the province 12½ per cent. The 80 per cent of course, is fixed by this bill, but the balance of 20 per cent is apportioned by the Board of Transport Commissioners. For new installations—where there is at present no protection—no definite percentage has yet been fixed by the board, but for equipment placed at crossings on which there has been no previous protection the railway is usually called upon to pay 5 per cent of the cost, and the highway authority pays 15 per cent.

Honourable senators, I have said that this bill is to protect the public at these crossings, and I think we are all in accord with any provision which is made to protect lives and property at railway crossings. The act was passed when the former Government was in office. That is only one reason why I support it. It was good legislation, as is evident from the fact that it is being carried on by the present administration. The act was passed in 1955.

Hon. Mr. Aseltine: I thought it went back to 1909.

Hon. Mr. Macdonald: The original act was passed in 1909?

Hon. Mr. Aseltine: Yes, and it has been amended about eight or ten times since then.

Hon. Mr. Macdonald: I thank my honourable friend for reminding me that the measure was passed by a Liberal administration under the late Sir Wilfrid Laurier, in 1909. That does not detract from the legislation in any way.

I am sure honourable senators will be interested to have some figures on accidents at railway level crossings over the years. In 1949 there were 2,290,000 motor vehicles registered in Canada. The number registered in 1959, last year, was 4,719,474. Honourable senators will therefore see that there are now over twice as many motor vehicles in Canada as there were in 1949. What was the accident toll during those years? Railway crossing accidents in 1949 were 441. In 1959 there were 546, or just 105 more, notwithstanding the great increase in the number of vehicles on the road. The number of persons killed in these accidents in 1949 was 138; in 1959, it was 185, or only 47 more killed than in 1949, when there were less than half as many vehicles on the road. Persons injured at railway crossings in 1949 numbered 589; in 1959, 717, or only 128 more than in 1949.

Hon. Mr. Aseltine: That is a pretty good record.

Hon. Mr. Macdonald: It is an excellent record, and no doubt the reason for it, to some extent, is that these crossings have been protected. I think the money that has been spent over the years has indeed been well spent if it has resulted in saving lives and preventing accidents, as would appear from the figures I have quoted. However, honourable senators, in a great many instances it does seem that there has to be at least one fatal accident, and often two, before anything is done about a dangerous crossing. I am not unreasonable, and I know that all the level crossings throughout the country cannot be improved in a few months or a few years. But when there has been a fatal accident at a level crossing you would think then that some protective measure would be provided. We were all shocked two or three weeks ago to read that a father of 16 children had been killed at a level crossing a short distance out of Kingston, Ontario. That crossing was on a provincial highway, and provincial highways are always important roads for traffic. The accident occurred at 5.30 in the morning. The train which killed this man, who was driving an automobile, was being hauled by three diesel locomotives and was travelling at 55 miles an hour over that highway crossing on a provincial highway. The finding of the jury which investigated the fatality was that the crossing had no wigwags or other protection. That was bad enough, but listen to this: the visibility was poor. I do not know how long it will be before some protection is put up at that highway crossing where there is now no wigwag and where the visibility is poor.

A few days later we read that a man had been killed at Strathroy, Ontario, at the same level crossing where a woman had been killed four months previously. The coroner's jury which investigated the cause of her death recommended the installation of certain equipment for protection of the public at that crossing, but nothing was done. So in some instances at least two fatal accidents have to occur before necessary action is taken.

Honourable senators, I am not unreasonable about these things, but I do feel that where it is known that a crossing is dangerous every effort should be made to protect people using the crossing. The department or the railways—whoever is responsible—should take the necessary action.

Hon. Mr. Pearson: Is not the installation of wigwags or other protection at a level crossing in a municipality the responsibility of the municipality? Or does the federal Government go in and say that protective equipment must be installed without regard to whether the municipality or the province will pay a share of the cost?

Hon. Mr. Macdonald: I do not know. But here is a crossing where there have been at least two fatal accidents. I say that where there has been one accident some authority should step in and see that protection is provided, and surely at a crossing where two accidents have occurred something definite should be done. But it seems that nobody cares about it. The railways, I am sure, care, and the municipalities and the provinces should care. I sometimes feel there is so much being done that those who are doing it say: "Let us finish one job first. We know that a certain crossing is dangerous, but we are working on this now and want to complete it before beginning another job." I say that where there has been one accident, and more especially where there have been two, there is no excuse for something not being done.

Hon. Mr. Blois: Has the honourable senator any figures to show the number of accidents that have occurred at unprotected crossings as compared with those having some form of protection? I think it will be found that more accidents have occurred at protected crossings than at unprotected crossings, but I am not suggesting that the latter should not be protected.

Hon. Mr. Macdonald: The figures that I have given are for all crossings.

Hon. Mr. Blois: You do not have them separately?

Hon. Mr. Macdonald: No, not separately.

Hon. W. M. Aseltine: Honourable senators, by speaking now I will close the debate on second reading.

I think I should as briefly as possible answer certain questions which were put to me when I moved second reading of the bill and dealt with its provisions. One of these questions was with regard to reflective markings on railway cars. I got in touch with the Board of Transport Commissioners as soon as possible and I received information which I think will explain the bill and the objects of the legislation a little more in detail.

As to reflective markings on railway cars, the board issued two judgments following a public hearing. The first judgment, dated May 1, 1959, contains the following paragraph:

> Parliament has made money available to help defray the cost of placing the markings on railway cars, and it is the considered view of the board that a start should be made in so doing as soon as is reasonably practicable. The board believes, however, that it is advisable not to attempt or require too much at the start and to have the benefit of actual experience in the use of such markings on railway cars for two or three years before determining what the longer term programme should be. We believe that it will be practicable and useful, and well worth the necessary expenditure of money, to have the markings placed on all new box cars received by the railways during this year and next year and also on approximately the equivalent number of other box cars during the same period while such cars are in for shopping. This will make possible the study of, and experimentation with different types of reflective materials and patterns and colours under varying operating conditions, and the effect of weather, speed, dust, etc. on the markings; and ascertainment of actual cost of markings and maintenance. We consider that this will be much more helpful to the board and railways than study and tests involving only a very limited number of cars, and the cost will not be excessive.

Pursuant to that judgment, the Canadian Pacific Railway marked approximately 3,000 cars last year and the Canadian National marked approximately 770.

On February 5, 1960, the board issued a supplemental judgment which requires the Canadian National and the Canadian Pacific to each mark at least 3,000 cars this year. The markings consist of a number of "Scotchlite" or other reflective discs attached along the sides of the cars.

The board has not decided what future program will be ordered. It will depend somewhat on experience gained with the present markings: how they stand up to wear and tear, whether they stay clean under operating conditions of snow, dust, etc., their reflective qualities, cost of maintenance, etc.

Hon. Mr. Reid: Were there any accidents such as automobile collisions with freight cars that had already been marked? Is there

any information as to the beneficial effect or otherwise of the markings on the cars up to now?

Hon. Mr. Aseltine: I have not the information it did not occur to me to ask that question.

Hon. Mr. Reid: That is important.

Hon. Mr. Aseltine: I can get the information and have it available if the bill should go to committee. I do not think a similar bill went to committee in 1958, and if the present bill is not referred to committee I will place the information on the record on third reading.

Hon. Mr. Reid: It is important to know what the experience has been.

Hon. Mr. Aseltine: In answer to the question as to the number of box cars in circulation, my information is that the Canadian Pacific Railway Company has approximately 88,500 freight cars, of which 60 per cent are box cars, and the Canadian National Railways have about 106,000 freight cars, of which 65 per cent are box cars.

A question was asked with respect to United States railway cars, on which I have some information. The Board of Transport Commissioners has made no order for marking of United States railway cars. Such cars are in Canada for limited periods. When they enter Canada they are loaded and en route to destinations, and there would be objection to delaying their journey for marking.

I believe I explained that the Great Northern Railway had marked all its box cars, and that some of the companies were marking the sides of box cars with luminous paint. But no order has been made by the Interstate Commerce Commission of the United States to compel the general marking of all box cars with reflective markings.

These reflective markings are put on new Canadian cars when they are delivered and on old cars when they are in railway shops for periodical re-painting, but the United States cars are not re-painted in Canada. There are practical considerations against taking such foreign-owned cars out of service for marking while temporarily in Canada, or forbidding their entry into Canada without markings.

That, honourable senators, is the information which I have obtained since I spoke on the bill last week. I shall endeavour, as I stated a moment ago, to ascertain if any accidents have occurred at level crossings where the train causing the accident carried box cars bearing markings. Is that satisfactory?

Hon. Mr. Macdonald: Honourable senators, may I say another word? If the bill is not going to committee perhaps the honourable Leader of the Government (Hon. Mr. Aseltine) could also inform the house who initiates the request to have a protective device placed at a level crossing. I believe that question was asked by the honourable senator from Lumsden (Hon. Mr. Pearson).

Motion agreed to and bill read second time.

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

Hon. Mr. Aseltine: Honourable senators, I would suggest that the bill be read the third time on, say, Wednesday next. In the meantime I shall endeavour to get the information requested, so that I may place it on the record on Wednesday.

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading on Wednesday next.

Motion agreed to.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, there are some important Government bills to come before the house which should be referred, along with certain other bills which we have considered, to the Banking and Commerce committee as soon as possible. With the consent of the house, I would like to proceed on Tuesday next with the business in the following order: first, I would deal with the motion for ratification of the Russian trade agreement; and I would like to have as the first item on the Orders of the Day the third reading of the Canadian National Railways Financing and Guarantee Bill; as the second item, the second reading of the Income Tax Bill; as the third item, the second reading of the Emergency Gold Mining Assistance Bill; and as the fourth item, the second reading of the Canadian National Toronto Terminals Bill.

Do I have leave of the Senate to have these items placed in that order on the agenda for Tuesday next?

Hon. Mr. Macdonald: Agreed.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. Mr. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, the 28th day of June, 1960, at 8 o'clock in the evening.

Motion agreed to.

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

THE SENATE

Tuesday, June 28, 1960

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

Prayers.

JUDGES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-78, to amend the Judges Act.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Financial Statement on the operations of the Veterans Insurance Act, for the fiscal year ended March 31, 1960, pursuant to section 20 of the said act, Chapter 279, R.S. 1952. (English and French texts).

Financial Statement on the operations of The Returned Soldiers' Insurance Act, for the fiscal year ended March 31, 1960, pursuant to section 17 of the said act, Chapter 54 of the Statutes of 1920, as amended. (English and French texts).

Statement of expenditures and financial commitments made under the Veterans' Land Act, for the fiscal year ended March 31, 1960, pursuant to section 42 of the said act, Chapter 280, R.S. 1952. (English and French texts).

Copies of the Capital Budget and Revised Capital Budget of the St. Lawrence Seaway Authority, for the year ending December 31, 1960, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952, together with copies of Orders in Council P.C. 1960-68 and P.C. 1960-870, respectively dated January 15 and June 23, 1960, approving same.

The *Canada Gazette*, Part II, Statutory Orders and Regulations, 1960, Wednesday, June 22, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

Report of Canadian Arsenals Limited for the fiscal year ended March 31, 1960, pursuant to section 85 of the Financial Administration Act, Chapter 116, R.S. 1952, together with Report of the Auditor General on the examination of the Accounts and Financial Statements of said Corporation for the fiscal year ended March 31, 1960, pursuant to section 87 of the Financial Administration Act aforesaid. (English text).

Report of Crown Assets Disposal Corporation for the fiscal year ended March 31, 1960, pursuant to section 85 of the Financial Administration Act, Chapter 116, R.S. 1952, together with Report of the Auditor General on the examination of the Accounts and Financial Statements of said Corporation for the fiscal year ended March 31, 1960, pursuant to section 87 of the Financial Administration Act aforesaid. (English and French texts).

Report of Defence Construction (1951) Limited for the fiscal year ended March 31, 1960, pursuant to section 85 of the Financial Administration Act, Chapter 116, R.S. 1952, together with Report of the Auditor General on the examination of the Accounts and Financial Statements of said Corporation for the fiscal year ended March 31, 1960, pursuant to section 87 of the Financial Administration Act aforesaid. (English text).

CITIZENSHIP

BRITISH SUBJECTS IN CANADA

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

1. Besides the High Commissioners, are there other British subjects residing in Canada who are not citizens of Canada?
2. If so, who are they and why are they not citizens of Canada?
3. Do they all enjoy the same public rights as the citizens of Canada do?
4. If so, in virtue of what authority?
5. Is there any difference between the public rights enjoyed in Canada by—
   (a) the British subjects,
   (b) the Canadian citizens, and
   (c) the citizens of the commonwealth?
6. If so, what is it?
7. If not, why?

Hon. W. M. Aseltine: The answer to the honourable senator's inquiry is as follows:

1. Yes.

2. They are British subjects who have come to Canada from the United Kingdom and other commonwealth countries as immigrants or on a temporary basis. They are not citizens of Canada either because they have not sought to become citizens or are not qualified to receive Canadian citizenship.

3. Some legislation favours Canadian citizens over British subjects. For example, in the province of Quebec Canadian citizenship is a condition precedent for practising certain professions such as medicine, law, pharmacy and dentistry. Another example will be found in the Broadcasting Act which limits the issuance of licences to persons who are Canadian citizens or corporations controlled by Canadian citizens. Another example is the Immigration Act which vests an unconditional right in Canadian citizens to come into and remain in Canada.

4, 5, 6 and 7. Answered by number 3.

CANADIAN BROADCASTING CORPORATION

TELEVISION PROGRAM "CLOSE-UP"

Hon. William H. Golding inquired of the Government, pursuant to notice:

1. If at any time in the past the C.B.C. has given a scale of fees paid to those taking part in their programs? If so, when?
2. The name or names of those responsible for the C.B.C. programs on "Close-Up", on the evenings of May 26, 1960, and June 2, 1960.

Hon. W. M. Aseltine: I have the following answer to the honourable gentleman's inquiry:

1. I am informed by the Canadian Broadcasting Corporation that while on some occasions, before parliamentary committees, for example, the range of fees for various types of broadcasters has been given, at no time, to the best of their knowledge, have specific payments to individuals been made known.

2. The responsibility for programs and other actions and activities of the C.B.C. is a corporate one. It has therefore been a long-standing policy of the corporation not to name individual employees when replying to queries in the Senate and the House of Commons. To the best of the corporation's knowledge this practice has never been questioned in the Senate or the House. It has been upheld in the parliamentary Committees on Broadcasting. For example, the corporation cites the ruling by the chairman of the 1959 parliamentary committee, as recorded on page 325 of the *Minutes of Proceedings and Evidence*, No. 9, of Thursday, June 4, 1959. To quote in part, the chairman stated ". . . . and I will still rule as I ruled at first, to help this committee complete the tabling of evidence. We are going to keep out personalities; we are going to keep out names of individual programs; we are going to keep out, from here in, anything that is of a personal nature. . . ."

UNIVERSITY GRANTS

DISCRIMINATION ALLEGED DUE TO NON-PAYMENT TO QUEBEC UNIVERSITIES OF AMOUNTS VOTED IN 1952-56

Hon. Paul H. Bouffard rose pursuant to notice that he would "draw the attention of the Senate to the anomaly and discrimination maintained against the province of Quebec universities due to the lapse of subsidies voted in favour of but not paid to such universities during the years 1952-53, 1953-54, 1954-55 and 1955-56, amounting to approximately $9 million".

He said: Honourable senators, when I first gave notice of a motion on this subject I realized that some members might consider it to be a little bit political in nature, on account of the fact that an election was about to take place in the province of Quebec. As I wanted to put this matter above politics, not only did I change the wording of my notice so that it would become an inquiry, but I thought it preferable to postpone the discussion on it until after the Quebec provincial election. I am told the election is over now, so I am ready to proceed with this.

Hon. Mr. Croll: Do you feel better?

Hon. Mr. Bouffard: I feel much better. My original notice of motion was that the Senate strongly recommend that the Government give consideration to the payment to Quebec universities of grants or subsidies amounting to over $8 million voted by the Government of Canada in favour of Quebec universities in the years 1952-53, 1953-54, 1954-55 and 1955-56. On giving more thought to the matter, it came to my mind that perhaps it would be setting some kind of a precedent for the Senate to recommend to the Government the payment of any sum of money over which the Senate has no control. I therefore changed the notice to the form of an inquiry, which is merely to draw the attention of the Senate to the fact that Quebec universities have lost during the period of 1952-56 an amount of approximately $9 million.

I do not want to go through the history of our Quebec universities, but I would remind honourable senators that around 1950 there were four universities in Quebec: McGill University, which I think everybody knows about; the University of Montreal, which was founded by Laval University in 1851, and Laval University in Quebec City, founded in 1851. At that time Laval had what might be termed a subsidiary university, called Laval University of Montreal, which later became the University of Montreal and which today is quite independent of and separate from Laval University in Quebec. The fourth university was Sir George Williams College, which I believe assumed its present status of a university in 1951. A new university today is the University of Sherbrooke. But around 1950-51 there were just the three major universities: McGill, the University of Montreal, and Laval University.

Without going into details, may I say that Laval University was founded by the Seminary of Quebec, and from 1851 to 1950 it was developed and maintained by the seminary. There was no contribution by any government and, except on one occasion, up to 1948 no contribution was made by the public. In one instance the university collected from the public $2 million, and that is all it received from any source other than the seminary in the space of practically one hundred years. The universities in Quebec, I may say, like those in the English provinces, were able to go along until approximately the end of the war without requiring much support from the public or governments, but after the war was over it was realized everywhere, and especially in countries behind the Iron Curtain, that adequate funds should be provided for the support of education and that as many pupils as possible should receive the benefit of higher education, particularly in the fields of chemical engineering and atomic energy.

It was quite apparent at that time that our Canadian universities lacked sufficient funds to enable them to perform their proper role in this regard, and it was then that the Canadian Government decided it would give subsidies or grants to these universities and encourage our young people, in as large numbers as possible, to pursue higher education, especially in research and chemical engineering. In 1951-52 I do not think anyone questioned the decision of the Government to make grants to all universities in Canada. These grants were based on 50 cents per head of population in each province. In 1951-52 Quebec universities applied for the grants, which they received, just as did all the other universities in Canada. However, some difficulty soon developed in Quebec as to whether the universities in that province could apply for the grants in the future in the way and upon the terms that they were granted and paid. As a matter of fact, in 1952-53 the Quebec universities received from the provincial Government a definite decision that they should not apply for these grants. I am not here to discuss whether the decision was wise or good or bad, but a decision was taken by the provincial Government that no university should apply for the grants, and that if any one did it would be severely punished. The decision of the Government was such that no Quebec university, whether independent or not, applied for the grants in 1952-53, 1953-54, 1954-55 and 1955-56, and consequently during those four years the universities lost the sum of $9 million.

It is quite evident, as everybody knows, that during those four years many meetings took place between the Right Honourable Mr. St. Laurent, then Prime Minister of Canada, and Mr. Duplessis, then Prime Minister of the province of Quebec. No doubt they tried to come to a compromise or to arrive at a formula which would be acceptable to both Quebec and the federal Government. Evidently in 1956 the Right Honourable Mr. St. Laurent came to the conclusion that there was no possibility of an agreement and, as the subsidies were to be increased to $1 per head of population in 1956, he decided to organize or to establish the Canadian Universities Foundation, to which the grants would be paid, these to be taken up by any universities that applied for them. And it is due to the statesmanship—I call it statesmanship—of Mr. St. Laurent that the Quebec universities have been able to get the $25 million which had accumulated in the hands of the Canadian Universities Foundation—and able to get it as soon as there was an agreement as to terms and conditions upon which these universities could get the grants.

There is no doubt in my mind that everyone in Canada thought that it was wise and timely to make these grants to Canadian universities—that the universities should be enabled to develop higher education, but that they could not do so unless they had the help of the Government. This was the conclusion reached by all Governments and all parties, including the St. Laurent Government, which initiated these grants first in 1951-52. The St. Laurent Government increased the subsidies in 1956-57, and the present Government decided to increase them further to $1.50 per head of population, which is one-third more than was paid before.

Consequently we have all come to the conclusion and nobody doubts at all that these grants are necessary in order that Canada may develop a system of unversity education comparable to that available in Europe and also in the countries behind the Iron Curtain.

I say also that all Canadians desire that there should be no discrimination made between universities, regardless of the provinces in which they are situated. As a matter of fact, when the grants were voted they were to be distributed all over Canada on an equal basis to all universities. They all needed the money, every one of them; they all were being filled up with young people seeking education.

Well, honourable senators, I say that if Quebec universities were prevented from applying for these grants between 1952 and 1956, now that the terms upon which the grants are being paid are accepted by Quebec, not only for the present but also for the past—because all the grants made by the Government between the years 1956 to 1960 have been paid over to the Quebec universities—it seems to me they should be put on the same basis for the grants which were voted between 1951 and 1956. Those grants amount to approximately $9 million and the Quebec universities did not receive them because they could not apply for them. Why did they not apply for them? It was not because they did not need the money, it was not because the Government did not make these grants, it was not because the money would not have been useful, but it was only because of the divergence of opinion—because there was no accord, no agreement, no possibility of agreement—between two men, one at the head of the Canadian Government and the other at the head of the Quebec Government. Today the crisis is past, and the terms and conditions of these grants can be accepted by the Quebec universities, so it seems to me that there should be no hesitation on the part of the

Government to pay these past grants to the Quebec universities as they would have been paid if application could have been made at the time when they were voted.

I quite understand that if Parliament votes, say, $1 million for a building to be situated at a certain place, it is quite appropriate that if the money is not spent in the course of the year the Government may change its mind in the interests of Canada as to the design or location of the building or may even decide to abandon the project, and in those circumstances the money, not having been spent, disappears from the budget. But in the case of a grant which is still considered by everybody to be useful and necessary, and especially when everybody agrees upon the terms of payment, it seems to me that the matter of procedure should not stop the Government from paying the grants and that another vote should be given in one year so that the Quebec universities will not lose $9 million on account of the fact that they could not apply for the grants.

Hon. Mr. Aseltine: May I ask the honourable senator a question? Is it not correct that during the four years from 1952 to 1956 when the Quebec universities refused to accept the money the votes lapsed, and that it was only after 1956 that the Universities Foundation was established?

Hon. Mr. Bouffard: That is correct. It is because the votes lapsed that the Quebec universities lost $9 million. It must be remembered that Quebec has paid its share of the tax to pay the grants that were given to other universities, and likewise other provinces have paid their share for the grants to be paid to Quebec universities, but the grants that were to have come to Quebec have completely lapsed. It seems to me that it is just as important today as it was in 1951 for the universities to receive the money granted to them. As a matter of fact, I would say that it is more important, because the grants have been increased three times. So it is recognized that the necessity has not disappeared, that the development of education continues, and it seems to me that in the interest of the unity of Canada no discrimination should be made between one province and another, and that the grants should be given to Quebec now.

Hon. Mr. Farris: Has the Government got enough money left now to pay the amount of the lapsed grants?

Hon. Mr. Bouffard: Yes, I would say so. There is no reason why it should not. It has not paid it. The amount of the surplus that has been declared in these years is still there, and I do not see why it should not be paid under a new vote.

Hon. Mr. Haig: May I ask the honourable senator a question? Why did not the Government in power from 1952 to 1956 bring in legislation for granting that money?

Hon. Mr. Bouffard: At that time the moneys had been voted. It did not occur to anybody that some universities would not be in a position to accept the money, or would be forbidden from accepting it. As a matter of fact, in 1951-52 moneys were accepted by Quebec universities. It was only in 1952-53 that the money could not be applied for.

Hon. Mr. Haig: Why could it not be applied for?

Hon. Mr. Bouffard: Because the universities were forbidden to make application for the grants. They were told if they made application for the grants they would no longer receive the moneys that the province of Quebec had been granting them. They were told: if you apply for these federal grants, do not count on any provincial grants, because we will cut you off completely.

The universities of Quebec had to decide whether they were going to fight with the provincial Government, which had helped them for many years, or not make application for the grants and avoid a fight. Everybody thought this matter would be settled within a short time. The two Governments both knew that the grants were necessary and useful for the benefit of Canada as a whole. Surely the universities should not miss out on the grants because of the form or the way in which the money was to be paid. I think it reasonable to say that not one soul in Quebec believed that this condition would continue for a period of four years.

It was only after several meetings between the provincial and the federal Governments that it was realized that there was no formula which could be accepted at that time. That is why these universities had to decide whether they would apply for the federal grants and lose all the provincial grants, or submit to the request of the provincial Prime Minister of that time.

Hon. Mr. Haig: Does my honourable friend mean to tell us that in 1954, 1955 or 1956 the Government of Quebec and the federal Government agreed to let these grants lapse?

Hon. Mr. Bouffard: No, they did not.

Hon. Mr. Haig: One more question. Did the Government of Quebec tell the universities in that province not to accept the grants, and that if they did they would be in trouble?

Hon. Mr. Bouffard: Exactly; that is why they did not apply.

Hon. Mr. Haig: Then they took their own chances.

Hon. Mr. Bouffard: It was not their choice. Should they have got into a fight with the provincial Government? They were told by the then Prime Minister of Quebec: "If you accept these grants you will be cut off from all grants in Quebec. I forbid you to do it."

The authorities of the Quebec universities, namely, Laval, Montreal and McGill, met at that time and, after a long discussion of the pros and cons, decided they could not apply for the federal grants because if they did so they would be cut off from all provincial grants, and they would have a difficult life in the province of Quebec. The universities did not apply and the grants lapsed. I say, they only lapsed; it is only a matter of procedure. For example, if the Government decides one year to erect a building in Canada at a cost of $1 million, and if for one reason or another the building is not put up that year, and the necessity for it remains, a new vote is made for the building the next year. That procedure may go on for two, three or four years. Why should the Quebec universities be treated differently? Do they not deserve to be put on the same basis as all other Canadian universities? If there were no longer any need for the money, I would say that is all right, let it go. But the Canadian Government itself recognized that the money was useful at that time and that it is more useful today, because the grants have been doubled and tripled.

Hon. Mr. Haig: Am I right in saying that in those years the grants lapsed because the universities decided it was better to have the goodwill of Mr. Duplessis than to have the money from the dominion?

Hon. Mr. Bouffard: They did not decide that. They decided that they could not make application for the grants without getting into a fight with the provincial Government. I am sure that all were certain that the Canadian Government would treat them properly after the fight was over. And it was a fight over which they had no control. They believed that the Canadian Government would treat the universities in Quebec in the same way as it treated other universities across Canada. Why should the universities of Quebec lose $9 million because of a fight over which they had no control? Why should they lose $9 million out of their share of moneys paid by the whole of Canada for the benefit of all universities across Canada whether in Winnipeg, Toronto, Vancouver or any other centre?

It seems to me this discrimination between universities should be stopped, and a new vote should be made so that the Quebec universities will be treated exactly the same as the others. The Government imposed taxes and the money was collected at the time for the purpose of distribution among the universities. It is just as useful today as it was then and there should be no discrimination and no acrimony between provinces. Everyone should be treated in the same way. Had the universities in Quebec accepted something in lieu of grants, I would say that that was all right, that they preferred one thing to the other. But in these circumstances they had nothing to say about it; they were told that if they applied they would be punished.

Well, a menace like that, coming from the man in power in that province, was something to face. Would it have been preferable for McGill, Montreal and Laval universities to get into a fight with the provincial Government, and not only lose the benefit of the provincial grants but be faced with all kinds of other difficulties? They realized the difficulties would be so great that an application for the grants at that time would have been a mistake. But they all hoped that when the fight was over a formula would be found by which they could accept the grants. It seems to me, now that a formula has been found, these universities should receive their grants.

Hon. Mr. Aseltine: What is the formula?

Hon. Mr. Bouffard: The formula at that time was that the federal Government would pay the money directly to the Quebec universities.

Hon. Mr. Aseltine: I mean the formula at the present time.

Hon. Mr. Bouffard: The present formula is that the Government at Ottawa sends the money to the Quebec Government and it pays it to the universities.

Hon. Mr. Aseltine: When was that system adopted?

Hon. Mr. Bouffard: A recent bill was passed at this session. I have for the moment forgotten the name of it, but my honourable friend the Leader of the Government (Hon. Mr. Aseltine) presented the bill and we passed it. It dealt with federal and provincial grants for education.

Hon. Mr. Aseltine: I just wanted the honourable senator to mention the fact that we had something to do with it.

Hon. Mr. Bouffard: Yes, we passed the bill. I spoke on it when it was in this house. I would point out that it is not constitutional, but on the other hand it is better that we

obey the law, whether constitutional or not. It is better that all universities in Quebec get the grants, even though the procedure under that bill is not constitutional. I believe the bill was unanimously passed by this house.

Under the previous formula the money was paid by the federal Government directly to the Quebec universities. That is what Mr. Duplessis objected to; he thought it was unconstitutional and was an interference by the federal Government in matters of education, which are exclusively provincial.

Hon. Mr. Aseltine: What is the difference?

Hon. Mr. Bouffard: The grants are now given to the Quebec Government, and it makes the distribution to the universities. I cannot see a great deal of difference between the two systems, but apparently the Prime Minister at that time felt there was a great deal of difference; so much so that he forbade the universities to apply for the grants, and he menaced them with a warning of what would happen if they did apply.

Hon. Mr. Choquette: My honourable friend keeps saying that he forbade them, he menaced them. Did that direction appear in the newspapers, or how was it done? Was it by letter or by open declaration?

Hon. Mr. Bouffard: No, it was not done that way at that time. It was done verbally. They were told that if they did apply they would be punished. If you want to make an inquiry on that you can ask the chancellors of the three universities—the chancellor of McGill, the rector of Laval and the chancellor of Montreal—and they will tell you that they were told they could not accept these grants and that if they did they would be severely punished. For what other reason would the universities not accept these grants?

Hon. Mr. Choquette: Was not the "punishment" the payment by the province of the equivalent of the federal grants to the universities? Was not that the "punishment" that Mr. Duplessis inflicted upon them?

Hon. Mr. Bouffard: He did not punish them because, as a matter of fact, they did not accept the grants. But, the grants given by the provincial Government to Quebec universities during these years were far from being equivalent to similar grants in other provinces. The Quebec universities lost at that time because they were receiving small grants from the province. It is true that the grants have been increased every year since 1948, but not by the amount they should have been. That was why the Canadian Government came into the picture and decided it would give 50 cents per head of population.

Hon. Mr. Haig: Does my honourable friend say that Mr. Duplessis said something to them, and by reason of what he said, or what he did, they did not accept anything? Surely, from 1956 on when Mr. St. Laurent was Prime Minister of Canada the situation could have been remedied by legislation. Why did he not have that done?

Hon. Mr. Hugessen: How?

Hon. Mr. Bouffard: He did do it. As a matter of fact, when the Quebec universities could not agree with Mr. Duplessis so that they could get these grants, what happened? Mr. St. Laurent established the Canadian Universities Foundation.

Hon. Mr. Choquette: At that time, when it was decided by the St. Laurent administration to turn all the grants over to the foundation, would it have been possible for that administration then to turn over the $9 million at the same time?

Hon. Mr. Bouffard: The $9 million was not paid to the Canadian Universities Foundation.

Hon. Mr. Choquette: I am referring to the grants that had lapsed.

Hon. Mr. Bouffard: The grants that had lapsed were never paid to the Foundation.

Hon. Mr. Choquette: Why not?

Hon. Mr. Bouffard: It was not possible at that time. The Canadian Universities Foundation was established as a medium for receipt of the grants, which it was hoped would be accepted by the Quebec universities, but even at that time they could not be accepted. It was only this year that these grants could be accepted, and they were accepted last May, even though they were paid to the Canadian Universities Foundation.

Suppose in any province grants were given for universities or for farmers, or for anybody else. I am pretty sure that there is not a single member of this house who would want inequality between the provinces in that regard. If the Quebec universities were entitled to these grants in 1952, and if they could not apply for them for a certain reason, the validity of which I will not discuss but which prevented them from applying, then what is the reason today for the existing anomaly and discrimination between the Quebec universities and the Canadian universities at large? It seems to me that if it had been the fault of the Quebec universities, if they had done something which prevented them from accepting these grants or if they had decided not to accept them, the situation would be different. But the Quebec universities never refused those grants. They could not make application for them, because

if they did they would have been in trouble with the provincial Government.

Honourable senators, why should these lapsed grants not be paid to the Quebec universities today? The money was voted. The money was there. Taxes were imposed to obtain that money. Why not treat them in the same way as we treat a building the construction of which is not completed in the course of the year in which the money is voted? In that case the vote is renewed the next year. Are the universities of Quebec less important than a building which has not been completed, for some reason or other, during the course of the year? Are not the universities of a province as important as a piece of road or a building? It seems to me that there is no comparison.

The Canadian people decided it was necessary to pay grants to all universities in Canada. If for one reason or other, and not because of any fault of their own, some universities could not apply for these grants in one year, in two years, or in three or four years, it seems to me there is no valid reason why the money cannot be voted again and paid out to the universities, because the money has been kept by the Government.

There is no reason for allowing this discrimination to continue. I say that this factor will be remembered by Quebec. If we want unity in Canada—and I think we all desire that—there has to be equal treatment between Quebec and the other provinces. That is the first thing that must be accomplished, and that is why I want to draw the attention of the Senate now to the fact that difficulties preventing payment of the grants have disappeared and that the universities are as much in need of the money now as they were when it was granted. It seems to me that this is the time to draw the attention of the Canadian Parliament, and especially of the Senate, to this discrimination which still exists. That discrimination should disappear. The people of Quebec will appreciate action that leads to its disappearance, and such action will be to the honour of the Government which takes it.

Hon. A. K. Hugessen: Honourable senators, I am glad that my honourable friend (Hon. Mr. Bouffard) has raised this question, and that he has raised it in the modified form which he has chosen. It is modified as compared with his original idea of a motion to be submitted to this body. I agree with him that his second thought is perhaps the more preferable, and that it might be a dangerous precedent for the Senate to pass a resolution suggesting to the Government of the day that it spend a specific amount of money. I agree with him that the proper course is the course that he has followed this evening in drawing the attention of the Senate to the circumstances.

Just what are those circumstances? It was in 1951 that the then Government decided that the time had come when the federal Parliament should vote grants in favour of the universities of the country. That seemed at that time, and still seems, to be a logical development which has arisen over the last few years, during which a university education has ceased to be the privilege of the few and has become the opportunity of the many. That condition, I think, largely arose owing to what happened at the end of the war when we had what was called the Veterans' Charter under which, as you will recall, men and women who had served in our forces overseas were given the opportunity of receiving a university education at the expense of the country. The result was a very large increase in the number of students at all our universities, an increase which did not, however, cease when the veterans graduated, for it appeared that by that time the public of Canada generally had got the taste for university education into its system or, perhaps, to put it another way, it was becoming more and more apparent that a university education was a good thing for the young men and young women of Canada.

In 1951, when the federal Parliament first voted moneys in support of universities, the Quebec Government of that day, headed by Mr. Duplessis, said quite openly that it did not think this was constitutional inasmuch as education was the sole responsibility of the provinces, but it did allow the Quebec universities for that first year to accept these funds granted by the federal Parliament. Then in the second year it clamped down. My honourable friend from Grandville (Hon. Mr. Bouffard) is connected with Laval University in Quebec City, and I happen to be connected with McGill University in Montreal. What was said to us, in effect, was, "If you accept these federal grants from 1952 on you will be in danger of losing the provincial grants which the provincial Government is now paying." These were approximately equal to, or I think a little larger than, the federal grants in their original amounts. We all realized, of course, that if we accepted the federal grants we would be in danger of not only losing the provincial grants but of antagonizing the provincial Government.

How can you expect any board of governors of a university to deliberately flout the Government of the province in which their institution exists? It is asking a good deal too much intestinal fortitude of any board of governors to face a proposition of that

kind. So for the next four years the universities of Quebec saw these grants voted annually by the federal Government while being unable to accept them, and they saw equivalent moneys going to other universities throughout the country.

As the honourable Leader of the Government (Hon. Mr. Aseltine) has quite properly said, the grants to the Quebec universities lapsed after each annual vote and after the money for that year was not accepted. It was not until 1956 that the then federal Government under Mr. St. Laurent tried to remedy the situation in this way. It said, "Well, if the Quebec universities cannot accept these grants now it is very unfair that tax money should be paid to the universities in every other province of the country and that the moneys payable to the Quebec universities should lapse." So it evolved this system of the Canadian Universities Foundation, to which all the moneys were paid and to which all universities had to apply to get the money. It was not a question of the grants lapsing. The money was voted and was there, and though for that period from 1956 on the Quebec universities did not apply to the Canadian Universities Foundation, at least the money was there waiting for them when they could apply.

My honourable friend from Winnipeg (Hon. Mr. Haig) has asked, "Why didn't the federal Government at that time put the $9 million into that fund?" Well, it seemed rather silly to do that when it knew that for the time being the Quebec universities could not get it. But now the situation has entirely changed. I give my friend and his Government the credit for having reached this agreement with the last Government of the province of Quebec, the Government until Wednesday of last week. But what my honourable friend from Grandville is suggesting is that the same attitude be taken with respect to the moneys voted between 1952 and 1956 as has been taken with respect to the moneys voted since 1956, which the Quebec universities are now able to get, and that the $9 million should be voted by the federal Parliament to either the Quebec Government or the Canadian Universities Foundation or in some other manner.

Hon. Mr. Aseltine: How do you know the present Government of Quebec would accept the money?

Hon. Mr. Hugessen: The present Government or the last Government?

Hon. Mr. Aseltine: The present Government.

Hon. Mr. Hugessen: Well, if my honourable friend the Leader of the Government (Hon. Mr. Aseltine) was willing to take the credit for having made the arrangement with the last Government, I think he can depend upon those on this side of the house to take the credit for making an equally satisfactory arrangement with the new Government.

Hon. Mr. Choquette: With the same appreciation as was shown on June 22?

Hon. Mr. Hugessen: Yes.

Hon. Mr. McKeen: May I ask the honourable senator from Inkerman a question? Are Quebec universities in any different position in regard to provincial grants from that of universities in other provinces? In other words, they all get provincial grants, do they not?

Hon. Mr. Hugessen: They all get provincial grants, but I do not know what the relevant scale of grants is in the various provinces.

Hon. Mr. McKeen: What I mean is, they are all getting provincial grants, and they could be cut off if they did not do what the provincial Governments concerned wanted?

Hon. Mr. Hugessen: Oh, yes. The universities are getting substantial grants from the respective provincial Governments. How they match up, one province to another, I do not know, but again I want to say that the short-lived Government of Mr. Sauvé, in the days when he was Premier of Quebec after the death of Mr. Duplessis, did very substantially enlarge the grants to Quebec universities, and it is entitled to a great deal of credit for that. But that does not affect the point raised by my honourable friend from Grandville. All he is asking is to put this $9 million which the universities of Quebec lost during the period of 1952-56 into the same form as the moneys which were voted to them after 1956, which they are only now able to obtain, and thereby equalize the situation of the universities all over the country and cure a feeling which I think does exist among the Quebec universities that, owing to circumstances over which they had no control, they have been unfairly treated in having lost that $9 million.

Hon. Mr. Haig: Would I be fair in saying that what they did take from the provincial Government was more satisfactory to them than if they had got this money at that time?

Hon. Mr. Hugessen: No, nothing of the kind. Our Quebec universities, if they wished to maintain the standard of the universities in the rest of the country, needed both federal and provincial moneys in the worst way, but the trouble was that during this period of quarrelling they could only get one and not the other. My honourable friend's university in Manitoba got grants from the federal

Government and from the provincial Government. So did all the other universities throughout Canada except those in Quebec.

Hon. Mr. Haig: Why didn't Mr. St. Laurent have the law changed when he was in office? He was Prime Minister from 1948 to 1957, and he had a majority in both houses. Why didn't he have this law changed at that time?

Hon. Mr. Hugessen: What possible good would that have done?

Hon. Mr. Haig: Didn't he know what had gone on? He must have known, and if he did why didn't he have the law changed? That is what I can't understand.

Hon. Mr. Hugessen: What good would it have done if—

Hon. Mr. Haig: He had power to control the money.

Hon. Mr. Hugessen: From 1956 he did provide specifically that this money should be accumulated. He had been hoping year after year, I suppose, that the matter could be settled. I suppose it occurred to no one to take that $9 million and put it into the fund. I suppose it was felt that when the question was finally settled whatever Government was in power at that time would see the justice of it.

Hon. Mr. Haig: You don't answer my question. He knew the situation about the universities. Why did he not get the information when he got into office in 1948?

Hon. Mr. Farris: What good would it have done?

Hon. Mr. Haig: He had power to have the legislation passed.

Hon. Mr. Hugessen: What legislation?

Hon. Mr. Haig: The legislation you are asking for now.

Hon. Mr. Bouffard: No; we are asking that no discrimination continue.

Hon. Mr. Haig: When you want to vote the money, that becomes an act. Why didn't he do that in 1956? He had the power. He had more power then than the present Government has got, because he had a majority in this house at that time. I know, for I was here.

Hon. Mr. Hugessen: I do not think my honourable friend understands the situation.

Hon. Mr. Haig: Yes I do.

Hon. Mr. Hugessen: As from 1956 Mr. St. Laurent's Government made quite certain that this money voted to the universities would, so far as the Quebec universities were concerned, be accumulated in their favour and be paid to them at some time in the future. That was quite a different business from trying to re-vote $9 million that had lapsed. That was a question that would only arise when the Quebec universities were entitled to get their rights, as they are now, and that is why my honourable friend from Grandville (Hon. Mr. Bouffard) raises the question now.

Hon. Mr. Pearson: Why didn't the Government set up a fund in 1950? Because nobody thought of it is no reason for coming to the present Government and asking for the money. The federal Government should have set up a foundation in 1950—

Hon. Mr. Hugessen: Why?

Hon. Mr. Pearson: —with the amount that the Quebec universities were to be granted, and held it in reserve. The Government did it in 1956, so why not earlier?

Hon. Mr. Hugessen: During the first year, 1951-52, Mr. Duplessis allowed the Quebec universities to accept the money.

Hon. William M. Wall: Honourable senators, I would like to express my sympathy for and my approval of the substantive part of this inquiry.

Actually what we are dealing with here is the intent of Parliament at the beginning when these grants were being allocated directly to universities through these annual votes. It has been established in this house tonight that the Quebec universities needed the grants from the very beginning, and were willing to accept them and did accept them the first year. Then this intent of Parliament was contravened or negated—

Hon. Mr. Hugessen: Frustrated.

Hon. Mr. Wall: —by the action of the provincial Government, and the universities were really victims of circumstances beyond their control. What has happened now is that times have changed, and we are now looking at a moral obligation of this Parliament to these universities which have been deprived of a certain amount of money and whose situation has been termed one of discrimination and one of anomaly; and that is true.

Now, the technicalities connected with the lapse of these annual votes should not prevent the present Government from taking hold of this problem and benefiting from the kudos that will evolve from the kind of equitable treatment that is to result from this discussion. When questions are raised in this house such as, "Why wasn't it done before?" or "Why wasn't it done in this form before?" I claim that that is not in issue at all—and, in a certain framework, that is really a kind of red herring.

The problem is simple. It is now possible for these universities to accept this money. Ways have been found. The Government has been commended for doing this. Now it is possible to correct this anomaly. I respectfully suggest that Parliament has an obligation to look at it from this new point of view and irrespective of all these little technical nuances being interjected into the substantive part of the inquiry. The issue is clear, and I support it wholeheartedly.

Hon. Mr. Farris: Honourable senators, as an entire outsider from British Columbia listening to the question put by my honourable friends, I do not think they have put the question in just the way they mean it. As I follow it, what they are saying is this: When Mr. St. Laurent was in office there was a big surplus. That money was put aside, and now why should the Conservative Government pay these lapsed grants after all that money has been squandered? In effect, that is what my honourable friends are saying.

Hon. Mr. Choquette: May I ask my honourable friend from Grandville (Hon. Mr. Bouffard) one question? What does this inquiry mean, anyway, and what can the Senate do? I have been trying to study the matter, and it seems to me that it is only being drawn to the attention of the Senate. Where does it stop, or does it end there? It seems to me to be just a lot of words.

Hon. Vincent Dupuis: Honourable senators, may I add a few remarks about this very important question? First, I should like to offer my sincere compliments to my honourable colleague the sponsor of this inquiry (Hon. Mr. Bouffard), as well as to my good friend from Inkerman (Hon. Mr. Hugessen).

To put the matter in a nutshell—in an attempt to clarify the point—after all, $9 million is a large amount of money to be found and to be returned to whom it belongs. As I was listening to the discussion, however, I thought of the Fathers of Confederation, and reminded myself of the fact that one of the main reasons why they instituted a second chamber, the Senate, was to have a body that could rectify injustices done to provinces. I think I am right in saying that. Well, during the years I have had the honour to be a member of Parliament, I have invariably found here men and women of good will from all parts of Canada, regardless of race, creed or party allegiance, and I have discovered that if a question of this kind, for instance, is put to them and an appeal is made to their spirit of justice and fair play, there is never any resort to political partisanship or provincial privilege, but there is invariably in evidence that great spirit of justice which has always dominated Canadian leaders, regardless of their origin.

The province of Quebec has always paid its legitimate share to help the universities in other provinces. A request for justice for the universities of Quebec is now being made to the Government. Whatever party happens to constitute the Government at any time—at present we have a Government led by the Conservative party—the spirit of justice and fairness always prevails. So I am hopeful, indeed I am convinced, that the Government of this country will give back to Quebec that which belongs to Quebec: the grants amounting to $9 million which were to be distributed to the universities of that province.

Hon. L. M. Gouin: Honourable senators, I have only a few words to say in corroboration of what has been said by the honourable senator from Grandville (Hon. Mr. Bouffard), who was at one time Professor of Law at Laval University, and by the honourable senator from Inkerman (Hon. Mr. Hugessen), who is connected with McGill University. At the University of Montreal, where I was a professor, and at the time was Acting Dean of the Faculty of Social Sciences, we were in the same situation as McGill and Laval. We would have been very glad to accept that money because there was a tragic need for it.

I do not wish to discuss the attitude of the late Premier Duplessis, other than to say that he felt very strongly on the question, taking the attitude that matters touching upon education were exclusively within the jurisdiction of the province and that such federal grants were an encroachment upon the provincial field. The universities of Quebec needed the federal grants very badly and they would have been exceedingly glad to receive that money in addition to that which they were receiving from the provincial Government. The universities of Quebec cannot possibly carry on unless they receive sufficient funds, especially now with the increased number of students applying for admission every year to the point that it is not always possible to accept all the candidates desiring to study law and other subjects.

For the period of the four years in question it was impossible to reach what I would call a compromise with the provincial authorities. The newspapers of the province of Quebec at that time gave the fullest coverage to the words uttered by Mr. Duplessis to the effect that he would practically declare war on any university which, in his opinion, did something which was wrong, and he thought that it was absolutely wrong for a university to accept federal money. Under those circumstances no solution could be found. So the

grants lapsed. But from 1957 on the Canadian Universities Foundation provided us with what we believe was a satisfactory way of getting out of the difficulty. However, the provincial Government maintained its hostile attitude, and it was impossible for our universities to accept the grants. This method of distributing the grants formulated by the Right Honourable Mr. St. Laurent was an excellent one. He felt that later on the universities of Quebec would be in a position to take this money, which they needed so badly.

I believe this is the real question: Is it not right, is it not fair, to suggest that the $9 million which was lost to our universities through no fault of theirs—because they could not possibly antagonize the provincial Government—should eventually be paid to them?

Should not the universities of the province of Quebec be placed in exactly the same position as universities in the various other provinces of Canada? Personally I consider it a matter of elementary justice that this should be done. I know very well it is out of the question for us to make what I would call a formal recommendation, but I think it was a very good move that our attention be called to that situation.

I sincerely hope that the present Government, now that a way has been found to allow the Quebec universities to accept these grants, will remedy what I would call this abnormal situation and will do justice to the universities of my province.

Hon. Jean-François Pouliot: Honourable senators, it has been said by one of our colleagues that his intention in speaking was to clarify the matter, but, to use the expression of a soldier, I will say that after his speech it is just as clear as mud. And that is said with due deference to all.

The matter is very simple. I always rise in circumstances like these as a peacemaker carrying in my arm an olive branch. Why should anyone discuss with animosity a subject-matter which is purely academic?

Tonight we had a feast for the intelligence. We have heard several of our colleagues who are on the boards of some of our great universities, and they have delivered speeches and made remarks which are worthy of great occasions, but there is one point which has not been elucidated, and it is very simple. Everyone of you, my honourable colleagues, will understand the whole position as it should be understood.

It is an interesting matter, and I congratulate the sponsor (Hon. Mr. Bouffard) and all those who have spoken on the subject. One fact is acknowledged: it is that in 1951-52 Mr. Duplessis accepted a federal grant. Why? Purely as a matter of goodwill to show his friendly disposition toward the federal Government. That was the first year. What was the sequence of it? He was abused, he was called a traitor, a man without convictions, just because he had accepted the offer of the federal Government. He had a great deal of trouble because of it from the very people who were the protagonists of that proposal. He had only one thing to do. He said to himself: If I am abused like that because of what I have done to show my goodwill, I will not do it again.

This is what any one of you would have done, had you been in his place.

He also said to himself and to his friends: The universities shall not suffer; I will treat the universities of this province of Quebec as well as any other universities in Canada are treated.

You have heard the lamentations by the heads and the professors of the universities, of Dr. James of McGill, of the rector of Laval, and the rector of the University of Montreal. They all complained that they were treated miserly, although they were building palaces and were guilty of all sorts of extravagances.

Mr. Duplessis said the universites will not suffer; the province will give them all that is needed to help them continue their program. That is what happened. And I challenge anyone to state the millions of dollars that have been paid by the Quebec Government to the universities of that province. I must defend them now: they were just as well treated by the past provincial Governments as the universities of any other province in Canada, and better than some of the American universities that are supported by millionaires. Naturally, there are some benefactors who are very generous to universities, men who are not former students and cannot call any university their *alma mater*. There are many men who have succeeded the hard way, who never had a university education, but who are the pillars and the supporters of universities in all provinces.

But let no one tell us that the provincial Government of Quebec has been stingy with the universities of that province, for it is not true. I can get you the figures to show that it is not true; they can be found in any issue of the *Canada Year Book*. Anyone who knows will agree that the universities of Quebec have been well looked after by the provincial Government.

Then for a time the federal Government decided to give subsidies to the universities. How many times has the Constitution been disregarded in other provinces than Quebec, even by those who are supposed to be familiar

with the law? When there is a question of grants or subsidies they are all there with open arms to get those grants or subsidies without thinking about the exclusive jurisdictions of the provinces and of the federal Parliament. They are not interested in that; they are interested only in getting more money. But there is a question of principle, and there is the Constitution, which cannot be overlooked or disregarded. This is a very serious matter.

The bill affecting university grants came before the Banking and Commerce Committee. I was there and had the satisfaction of questioning the witness, a very able witness. I was struck by the fact that during the four or five years after the first year there were lapses of the subsidies; at the end of the fiscal year the subsidy intended for the province of Quebec lapsed, and three or four or five years afterwards there was established a sinking fund which was called the Canadian Universities Foundation, and grants that were transferred to the foundation did not lapse. The proceedings of the committee were not reported, but I presume my memory is reliable. As I say, I was struck by the fact that there was an interval of three or four years before the Universities Foundation was established.

At that time my leader was Mr. St. Laurent. In my view I was on good terms with both Mr. Duplessis and Mr. St. Laurent. My impression was that Mr. St. Laurent did what was best, and so did Mr. Duplessis. So no one shall incur any blame in this matter. Mr. Duplessis wanted to defend the rights of the province of Quebec in the matter of education; he did not want to be abused by those who were the protagonists of federal subsidies to the Quebec universities. Mr. St. Laurent never thought that four or five years afterwards the Universities Foundation would be established. The matter is just as simple as that. There is no question as to the rights of the province of Quebec or anything like that. No one can be expected to foresee everything that will happen. Mr. St. Laurent acted in good faith; Mr. Duplessis acted in good faith. Now we face a situation that is quite complicated, if we are going to exhume all the past errors and difficulties.

In conclusion, may I say I consider that in this matter nobody did any harm. Everybody acted for the best under the circumstances. It is very easy, after a certain time, to be philosophical about the past and say that, well, it should have been done in this way or that way. I agree with what has been said by one of my colleagues with whom I very often differ. The matter has been very ably brought before the Government of Canada by the honourable senator from Grandville (Hon. Mr. Bouffard) and by all my honourable colleagues who have spoken, and it is now for the Prime Minister and his colleagues to decide what they consider the best thing to do under the present circumstances.

CANADA-U.S.S.R. TRADE AGREEMENT

APPROVAL OF RATIFICATION OF PROTOCOL

Hon. Gunnar S. Thorvaldson: Honourable senators, I move the motion standing in the name of the honourable Leader of the Government (Hon. Mr. Aseltine):

That it is expedient that the Houses of Parliament do approve the ratification by Canada of the protocol, signed at Moscow, on April 18, 1960, renewing the agreement on trade between Canada and the Union of Soviet Socialist Republics, concluded in Ottawa, on February 29, 1956, and that this house do approve the same.

After listening to a controversial debate such as we have just heard I am certain you are happy to know, honourable senators, that we are moving into much quieter waters in the motion which I have just moved.

Honourable senators, on April 18 of this year a protocol was signed in Moscow renewing the trade agreement of 1956 between Canada and the Union of Soviet Socialist Republics. Our approval is sought for ratification by the Government of this protocol. The protocol itself and the exchange of correspondence concerning the Canada-U.S.S.R. Trade Agreement were published as an appendix to the *Minutes of the Proceedings of the Senate* of May 3 last.

The protocol renews for a further three years the 1956 agreement, with the exception of article IX, and the letters which the two parties exchanged at that time concerning the right of the Canadian Government to fix, under the Canadian Customs Act, values of goods for ordinary and special duty. Honourable senators may recall that the other house approved ratification of the agreement on April 18, 1956, and that this house gave its approval on April 26, 1956.

Article IX of the 1956 agreement, which is not renewed, provided for signature and ratification at that time. It also stipulated that negotiations may be held to renew the agreement. These negotiations have been successfully completed with the signing of the protocol by the Minister of Trade and Commerce.

It may be useful at this time to review briefly the main features of the agreement which is now before us for renewal. Provision is made in it for the exchange of most-favoured-nation treatment between the two Governments. The term "most-favoured-nation treatment" refers to tariffs and related

matters in the field of commerce. Such treatment does not entitle another country to any unique advantage, but merely guarantees that the country will not be discriminated against in trade matters. This has the effect of placing Canadian commercial relations with the U.S.S.R. on a basis similar to our relations with most other countries. Most-favoured-nation treatment, of course, does not involve the extension of the British preferential rates of duty to imports from the U.S.S.R.

A provision is included in the agreement which permits either Government to apply prohibitions or restrictions of any kind for the protection of its essential security interests. Another clause refers to the treatment of merchant ships of either country in the seaports of the other, assuring them of as favourable treatment as the merchant vessels of other countries. This simply confirms the situation which had existed previously in regard to ships of U.S.S.R. registry.

There are also provisions which refer to the legal status of persons, access to courts and arbitration. These clauses did not establish any new procedures for settling disputes that might arise in the conduct of trade between Canada and the U.S.S.R. They merely indicate the facilities that are available if such dispute should arise. Canadians are free to choose between Canadian and Soviet courts, and they are not bound to enter into arbitration.

From the Canadian point of view, by far the most important part of the renewed agreement is an exchange of letters between the Minister of Trade and Commerce, the Honourable Gordon Churchill, and the Minister of Foreign Trade of the U.S.S.R., Mr. N. S. Patolichev. The letters provide that in each year of the renewed agreement the Soviet foreign trade organizations will purchase Canadian goods to a value of $25 million, including not less than 200,000 tons of Canadian wheat, provided, however, that the total annual value of Canadian purchases from the U.S.S.R. is not less than $12½ million. May I point out, honourable senators, that the reference to 200,000 tons of wheat is approximately the equivalent of 7 million bushels.

Should the total value of Canadian purchases from the U.S.S.R. be less than $12½ million in any one year the Soviet undertaking to purchase from Canada would be reduced and would be determined on a two-to-one basis. That is, the Soviet Union would purchase twice as much from Canada as Canada imported from the Soviet Union. Wheat will constitute not less than half the amount of such annual Soviet purchases.

It will be noted that Canada does not give any undertaking in this agreement as to purchases from the U.S.S.R. The major commitment made by Canada is that imports from the Soviet Union may compete on equal terms with imports from other countries in the most-favoured-nation category.

The letters also provide that the authorities of the two countries will consult periodically concerning the implementation of the agreement and any other matters affecting trade relations between the two countries. Under the earlier agreement the consultation provision and the undertaking of both parties to give sympathetic consideration to each other's representations was limited to matters concerning the implementation of the agreement. The broadening of this to include other matters affecting trade relations would permit Canada, for example, to take up with the Soviet Government any problems which might arise in connection with any Soviet selling practices in world markets that may be unfair and harmful to our export interests. Consultations will take place annually and should permit the development of closer co-operation and understanding with the Soviet authorities concerned with trade.

I might just expand on this feature very briefly to say that it envisages, as I understand it, cases where we might deem that the U.S.S.R. is, say, engaged in dumping goods in other countries that are competitive with goods that Canada sells in those countries. In that event provision is made for consultation between Canada and the U.S.S.R. in regard to such unfair trade practices.

To conclude the description of the arrangements to be ratified by the Government I might mention that the protocol will terminate three years from the date of signature and consequently a further renewal, if it should then be desired, would be a matter for negotiation.

Honourable senators will note that under the terms of the new agreement 200,000 tons of wheat will be purchased from Canada, should our exports reach the level of $25 million. In the previous agreement the total Soviet purchase commitment was for 400,000 tons of wheat a year.

I might add here, however, that that commitment was never carried out during the last three years and, indeed, I do not think that in any one of the three years more than about 200,000 tons of Canadian wheat was purchased by the U.S.S.R. If any honourable senator desires it I can give figures in regard to those purchases.

It will be appreciated that the situation has changed markedly since 1956. The Soviet Union has greatly enlarged its production of wheat and is a regular exporter. Moreover, the level of sales achieved by the Russians

under the previous agreement did not come up to their expectations and they were not prepared to continue trading on a basis which they considered too strongly favoured the Canadian side. In addition, since 1956 the Soviet Union has concluded a number of trade agreements with non-communist countries in which they have avoided making unilateral and unconditional purchase commitments. As a result of these considerations, they were not prepared to renew the previous purchase commitment without some modification. However, the arrangements that have been made for trade on a two-to-one ratio do involve a purchase commitment on the Soviet side and the terms of the arrangement are better than those offered by the U.S.S.R. to any other country. Under the new agreement we may expect that substantial quantities of Canadian commodities, including wheat, will again be sold and that a mutually advantageous growth in trade between the two countries will take place.

Both countries are aiming to diversify as well as to expand trade and a basis has been established for closer and more fruitful co-operation between the two countries in the field of trade.

Under the arrangements which have been concluded, traders and trading organizations of the two countries have been provided with an opportunity to establish and expand their business relationships. The success of the agreement from the standpoint of Canada's trade will hinge upon the results achieved by the Canadian business community in its dealings with Soviet trading corporations. For their part, the Soviet export corporations, if they wish to expand their sales in Canada, will have to make the necessary effort to ascertain what Soviet exports may be saleable in the Canadian market and how these sales can be developed on an orderly basis. Canadian exporters will no doubt also wish to consider what Canadian products might be sold to the Soviet Union. In this connection the Minister of Trade and Commerce has announced the appointment of a Canadian Commercial Counsellor in Moscow who will be available to assist the efforts of our business community. The minister also mentioned in the other house the prospect of visits of trade missions between the two countries.

The conditions for trade have been established and a spirit of goodwill and co-operation has been initiated. It is the hope of the Government that the envisaged levels of trade will be realized and that we may look forward to a flow of commerce beyond these levels.

I trust that the resolution which is before us will find approval with all members of this house.

Hon. W. D. Euler: Honourable senators, after the animated debate to which my honourable friend from Winnipeg South (Hon. Mr. Thorvaldson) referred and which he followed with the statement that this debate would be of a relatively restrained and quiet nature, I would say at the outset that while I propose to make some observations on this new trade agreement with the Soviets, I do not propose to say anything that is particularly controversial.

I do not entirely share, however, the apparent optimism displayed by my honourable friend in stating the terms of the agreement. This agreement with the Soviet Union brings to my mind a somewhat similar agreement made in 1936, which formed the pattern for the agreement of 1956 and the present one—the present one being almost entirely a repetition of the treaty that has just come to an end.

I am going to give a bit of the history of our trade agreements with Russia. After the First Great War, when Russia had become communist, the Government of the day in Canada, the Bennett Government, placed an embargo upon all Russian goods for the reason expressed by him, I think, that Russia was a godless country. The succeeding Government, the King Government, decided that trade relations with Russia should be restored, and the then Minister of Trade and Commerce, who happened to be myself, was entrusted with the work of conducting the negotiations in Moscow, just as the present Minister of Trade and Commerce did recently.

Hon. Mr. Thorvaldson: What year was that?

Hon. Mr. Euler: 1936.

We agreed then in the negotiations to give the Soviet Government the most-favoured-nation treatment, which was extended in the 1956 agreement and also in the proposed one. They agreed to buy from us some 5 million bushels of wheat. Before that agreement could be ratified World War II broke out and nothing came of it. I might mention in connection with this, for I think it is of some interest, that at that time Canadians had been buying from Great Britain a considerable quantity of anthracite coal. A paralyzing strike of the miners in Wales developed, and as a consequence when I had negotiations with Russia we had agreed that the embargo on Russian coal would be removed and we proposed to buy from them something like 200,000 tons of anthracite coal. The Canadian Government could not by itself buy

the coal, but I think the arrangement contemplated at the time was that the business should be handled by a coal firm in the city of Montreal. Whether before the war broke out any importations of Russian coal resulted, I am not sure.

It may be of passing interest that the two Soviet officials with whom I conducted negotiations were the commissar for Foreign Trade and the Deputy Minister of Foreign Affairs. I regret to say, since I had very pleasant relations with them, particularly with the Commissar for Foreign Trade, that about a year after that, among the 20 men who were charged with treason were these two gentlemen whom I had known so well, and that both were convicted and in due course executed.

In 1956 a new agreement was made, which is now being renewed with a very slight change. It gives, as I have already said, the most-favoured-nation treatment. But the most important provision of all—and to me it seemed almost the only important provision—is that Russia agrees to buy at least $25 million in Canadian goods, half wheat, provided we buy half as much, namely, $12,500,000. If we buy less, then she will be committed to buy proportionately less. If we should buy only $2 million-worth she will have to buy from us only $4 million. And there is an escape even from that. The Minister of Trade and Commerce stated in the Commons that he regards that as quite a concession, because of the two-for-one clause. Without belittling it, I would point out that last year we sold Russia $12 million-worth of goods without any commitment whatsoever. Besides, as the minister himself pointed out, and as my honourable friend stated a moment ago, the Soviets had made the commitment of 400,000 tons of wheat they were supposed to buy each year.

Hon. Mr. Thorvaldson: Will the honourable gentleman permit a question? Would he mind telling me where he got that figure of $12 million in exports to Russia last year?

Hon. Mr. Euler: Yes. I got that figure from the Dominion Bureau of Statistics. A total for wheat of $10,787,000, and for nickel, $1,207,000.

Hon. Mr. Thorvaldson: Oh, yes, that represents our sales.

Hon. Mr. Euler: Yes, and that was practically all.

Hon. Mr. Thorvaldson: Yes, those figures are correct.

Hon Mr. Euler: Last year they should have purchased 400,000 tons of wheat, but they bought only about 200,000 tons. The Minister of Trade and Commerce, in his speech, as appears in the Commons *Hansard* of April 25 last, at page 3226, specifies certain provisions that were made:

> Provided trade develops in a satisfactory manner, in accordance with the agreement and the letters exchanged in Moscow.

That is one provision. The minister goes on to say:

> I was assured . . . that the Soviet Union would endeavour to make up this deficiency so there would be no question of the Soviet Union not having fulfilled the earlier obligation.

But even when they say that, they are putting in two provisos. So far as I am concerned, it seems that the statement has too many "ifs" in it to be of great value.

It might seem strange that Russia should buy wheat from Canada, for she has been a great producer of wheat herself and her production will be increased in the future. I am told, and I think it is correct, that the reason she buys wheat from Canada is that it would pay her better to buy our western wheat and ship it from the port of Vancouver to the eastern ports of Russia rather than to bring it in from the western parts of Russia on the railways to the Pacific coast. Under those circumstances I would think, with the growing of wheat in Russia proceeding at a rapid pace, we could hardly regard the Russian market for wheat as a very stable one. Even now she exports wheat to France, for instance.

Here is a rather interesting circumstance. The *Financial Post* of last week stated that France is now producing excellent hard wheat, which is Canada's specialty, and that she will soon be able to supply her own needs and perhaps enter into markets that we thought were strictly our own, that is, in the sale of hard wheat.

One of the difficulties in expanding trade with Russia is the fact that the Soviet Union produces almost the same things that Canada does. She has tremendous resources. She has large acreages of fertile land on which she can produce all kinds of crops. She has great deposits of metals and minerals, in which she can compete with us. She has oil and she has great forests. I think my friend from Vancouver (Hon. Mr. McKeen) will probably admit that even now the exports of lumber from Russia into the British market have prejudiced our own sales of lumber in that market. Russia has great expanses of forest that produce pulpwood, and I have no doubt that in due course of time, with her expanding economy and progress, she will be able to produce pulpwood and have mills to produce newsprint and become competitors of ours. She also has great manpower. And she can fix prices just as she pleases.

Last year the Soviets bought, as I stated before, about $12 million in goods from Canada. More than $10 million of that was in wheat and most of the balance was in nickel. These were practically the only commodities she bought from us. What more can we sell her? What more can we sell her that she does not produce herself? We bought from her last year goods to the very small amount of $2,291,000. Now, as has been stated, we are not making a definite commitment. We are expecting to sell to her $25 million-worth of goods, but she need not take that much unless we buy from her goods worth $12,500,000. Last year we bought goods worth only $2,291,000. What else can we buy from Russia? Well, we bought from her furs, which we also produce, in the amount of something over $1 million. I was looking over the list in the records, trying to find out something else we bought from her, but there was nothing else that amounted to—I was going to say a "hill of beans". I will give a few items: sugar candy, $652; cigarettes, $286; advertising and printed matter, $80; picture postcards, $1,375; plywood, $35,000. I am not saying this in a disparaging manner, but just to point out how difficult it is to find commodities which Russia can sell to us or we can sell to her and which neither country produces for itself. To my surprise I did not find in the list what I imagine the Russians produce in quantity, that is, vodka and caviar. Apparently they sold us none of either of these items.

In my view it is a mere truism that any agreement to extend export trade is desirable. In Canada particularly, where our prosperity depends so heavily on exports, it is absolutely necessary, and to that principle I make no exception. We should trade with every country where our products are saleable, whether it be Russia or China or any other in the world. Indeed, with the Outer Seven and the Inner Six threatening to shut us out of our European markets, our prosperity may in the future—the distant future, perhaps—depend, to some extent at least, upon selling our products to the hundreds of millions in the underdeveloped countries of the Far or Middle East.

I would also express this opinion while I am mentioning China as a possible market for us—perhaps it is not pertinent in this debate, but I think it is—that the time has come when we should recognize that Communist China with its 650 million people is China, and that little Formosa with its 10 million people is not. It is about time that we recognized the real China and dropped the absurd and unrealistic course of pretending that Formosa is China just because we are afraid of someone else. Let us cast off the leading strings that have been binding us because of what I might call our national inferiority complex.

Canada employs a well-trained body of trade commissioners, and they are a very capable body of men if they are as good as they used to be, and I have no doubt that they are. We have not had a trade commissioner in Russia for some time and I commend the Government for now appointing a Commercial Counsellor to our Canadian Embassy in Russia.

Here I shall make a comment, which perhaps I should call a criticism. These commissioners are supposed to explore opportunities for the sale of Canadian goods in various countries to which they are accredited, and they are doing a good job. They go from place to place in Canada, they meet with the manufacturers and other organizations, and they point out to them where in this country and that country there is a demand for certain goods which Canada could supply. Unless Canadian producers and manufacturers co-operate with them and take advantage of the opportunities which are pointed out to them for expanding trade, and do that with courage and enterprise, we certainly shall not derive the full benefit of the services of our trade commissioners. I am inclined to doubt to some extent the aggressiveness and progressiveness of our Canadian producers in this respect. In any case, the matter of getting these markets, of supplying these markets, is right up to the producer himself. Our Government can do only so much. It can open and smooth the way, but after all in a country like Canada, a country of private enterprise, the individual must go out and sell his goods. So far as Russia is concerned the situation is different; under a communist system the Government can buy whatever it likes and distribute it.

There are several other courtesies—I was going to call them amiable courtesies—to which my honourable friend has already referred in the resolution which may mean something or may mean very little. It is agreed that businessmen should visit the respective countries. Well, that has been done for some time now. They agree that representatives of the two countries should meet once a year, alternately in Ottawa and in Moscow, and there discuss any difficulties they may have or opportunities for extension of trade in both countries.

The minister in his speech in the Commons says that we can—I am not quoting his exact words, but I think this is the meaning—go to the Soviets and talk over with them our difficulties in cases where they invade markets that we think are our own. No trade agreement is required to give us the right to talk

to them as we please, but it has its place and I have no objection to it. I merely say here that I wish we had some sort of a commitment from another certain country that it will not invade our markets unfairly to the disadvantage of our own producers.

All these things are to the good, as far as they go, but there is little sentiment in business and there is not much value in an agreement unless both parties obtain some benefits from it.

Now perhaps I have drawn too gloomy a picture with regard to our trade with the Soviets, but I did not intend to do so. There is no purpose in raising false hopes that we are going suddenly to expand our trade with the Soviets, for the simple reason that there are not enough commodities which we do not make in common to enable us to exchange much in the course of trade.

I welcome the agreement, because while in itself it is not a thing of tremendous importance it should tend to promote something of goodwill toward a country which too many people seem to believe is waiting and ready to destroy us. I support the resolution.

Motion agreed to.

CANADIAN NATIONAL RAILWAYS FINANCING AND GUARANTEE BILL

THIRD READING

Hon. Arthur M. Pearson, for Hon. William R. Brunt, moved the third reading of Bill C-69, to authorize the provision of moneys to meet capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1960 to the 30th day of June, 1961, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

Motion agreed to and bill read third time and passed.

INCOME TAX BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. Gunnar S. Thorvaldson moved the second reading of Bill C-68, to amend the Income Tax Act.

He said: Honourable senators, I have the honour to again present the annual amendments to the Income Tax Act. You will recall that last year the amendments contained some rather unpalatable tax increases, both in respect of individual taxpayers and corporations. I am happy to say that no tax increases whatsoever are involved in the present legislation, or at least no direct ones; and similarly, there cannot be said to be any tax deductions, except such as may ensue incidentally from the annual tidying up of the Income Tax Act which is done by these bills.

The present bill is of considerable length, containing as it does 33 clauses, and consisting of 23 and a fraction pages. As the bill will be dealt with in committee in the usual way, I do not propose to deal with it here section by section. I think that would be a complicating procedure because of its length and the technical nature of some of the amendments; further, the fact is that many amendments relate only to administrative procedures. Rather, I shall try to deal with the legislation in respect of broad generalities on the phases of tax law dealt with. I hope that honourable senators who want a detailed explanation of the various sections will attend the committee and obtain explanations there, because I propose to do as has been done in other years, to move that the bill be referred to the Standing Committee on Banking and Commerce.

Every session, and this is no exception, there is a certain amount of tidying up of the act to do, resulting from loopholes that may appear during the year, resulting also from court decisions and from recommendations from outside bodies, such as the Canadian Bar Association and other bar associations, the Canadian Institute of Chartered Accountants, the Canadian Tax Foundation and so forth; and possibly also resulting from administrative experience throughout the year.

To begin with, I should say that most of the amendments are technical and administrative in character and cannot be said to have any effect whatsoever on revenue. They are made partly to assist in the administration of the income tax law, and in some instances they relieve against procedural practices that are needlessly onerous to the taxpayers. However, I will try to explain generally the main and most important changes effected by the bill.

The very first clause of the bill is of more than usual interest to this house, by virtue of the fact that it goes far to adopt the position taken by the house in regard to certain provisions of the Estate Tax Act, which, as I recall, was enacted two years ago. It refers to a superannuation or pension benefit, a death benefit or benefit under a registered retirement savings plan, received by a taxpayer in a particular year and which requires to be included in computing the aggregate net value of property passing on a death.

For example, a widow receiving a life annuity under the terms of her late husband's pension plan will be allowed to claim a deduction for the purposes of her income tax each year to compensate for estate tax that

was paid on the value of the annuity. The purpose of the amendment is to alleviate the double impact of the two taxes. May I give a simplified example of how this adjustment might work? I do so because of the discussion we had on this very problem during the debate on the Estate Tax Act on its passage through this house a couple of years ago.

Suppose the aggregate net value of an estate is $100,000, of which one-half is comprised of the present value of a pension continuing to a widow. The total estate tax would be $6,200. The effective rate of estate tax on that pension would be 6.2 per cent. In such circumstances, 6.2 per cent of the pension payment received each year by the widow would be excluded from income for income tax purposes. In that way the double impact of the estate tax and income tax would be done away with.

Another important amendment, clause 5, has the effect of increasing the maximum amount that a taxpayer may deduct from income on account of medical expenses. The present and proposed limits are as follows,—and here, honourable senators, I have prepared a short table which, with the permission of the house, I would place on *Hansard*.

Hon. Mr. Aseltine: Agreed.

Hon. Mr. Thorvaldson: The table reads as follows:

	Present	Proposed limit
Taxpayer with married status	$2,000	$3,000
Taxpayer with single status	1,500	2,500
Husband and wife together	2,000	3,000
For each dependant	500	750
Maximum on account of dependants	2,000	3,000

Clause 6 amends section 31 of the act, which deals with the income of a non-resident from employment in Canada or from a business carried on in Canada. The clause is not for the purpose of making any change in what the law was deemed to be and as administered by the department. It is intended instead to clarify what the practice has been in regard to this type of income, and also to clarify the law respecting the calculation of foreign tax credit to be allowed to such person.

Another amendment, clause 8, provides for a tax credit of 13 per cent to individual taxpayers in the province of Quebec against their federal income tax for 1960 and 1961. This is merely a continuation of similar amendments enacted in each of the years 1958 and 1959 and, as is well known, results from the fact that Quebec imposes its own income tax on individuals.

Clause 11 of the bill amends the present rules for determining when one corporation is associated with another for the purpose of determining whether or not the corporation is entitled to be taxed on only 21 per cent on the first $25,000 of net income. At present the question of association of one company with another for the purpose of receiving this benefit is based on the ownership of 70 per cent, more or less, of shares. The purpose of the amendment is to replace this 70 per cent rule by a rule related to control of the corporations. However, this clause is not to have effect until after December 31, 1960.

Hon. Mr. Hayden: Has the honourable senator any statement to make as to what might be included in the word "control"?

Hon. Mr. Thorvaldson: The rules set out in the act are somewhat lengthy, and unless the honourable senator desires me to consider them here I would prefer that further consideration be given in committee.

Hon. Mr. Hayden: No, I was not asking that. I am well aware that the word "control" is used many times in the section you have referred to. What I was asking was whether you think you can define "control" by using the word "control"?

Hon. Mr. Thorvaldson: I realize it is a very difficult thing to work out, and I myself am somewhat concerned with the amendment and the effect of it. However, I would be glad to hear the honourable senator's comments on this clause when he speaks to the bill.

Hon. Mr. Hayden: I will stop asking questions if they are bothering my friend, but my friend did say, or at least I understood him to say, that this new method was a method of control replacing the method of ownership of shares.

Hon. Mr. Thorvaldson: No; I said the proposed method is related to the question of control.

Hon. Mr. Hayden: Rather than the ownership of shares?

Hon. Mr. Thorvaldson: Yes, rather than the ownership of 70 per cent, more or less.

Hon. Mr. Hayden: What I am asking is: What are the badges, or what is the outward appearance, of "control" as it is used in the section we have before us if we eliminate the question of ownership of shares?

Hon. Mr. Thorvaldson: I presume that the control that is envisaged is the control of the company through ownership of 51 per cent of the common stock. That is at least one of the—

Hon. Mr. Hayden: That is the one that is removed.

Hon. Mr. Thorvaldson: I do not think it would serve any great purpose to enter into an argument in regard to the technical position of this clause in this house, and I suggest again that the preferable place to do that is in committee.

Hon. Mr. Hayden: I just wanted to know what it meant.

Hon. Mr. Thorvaldson: Another amendment, contained in clause 12, is for the purpose of carrying out the recent proposal concerning grants to universities.

The general rule in the Income Tax Act is that corporations may deduct from their federal tax otherwise payable an amount equal to 9 per cent of their taxable income earned in a province that imposes its own corporation income tax. This amendment provides that this figure of 9 per cent shall be increased to 10 per cent in those provinces which enter into the arrangement provided for in the Federal-Provincial Tax Sharing Arrangements Act under which federal grants to universities are replaced by provincial grants.

A further amendment in clause 13 provides a less restrictive method than at present for computing credits for foreign taxes. This change will be primarily of interest to corporations operating branches outside of Canada.

One of the amendments, clause 27, increases the number of members of the Tax Appeal Board from five to six including the chairman, so presumably there will be an additional appointment of one member to the Tax Appeal Board.

Honourable senators, although there are several clauses that I have not referred to specifically, none of them affects the revenue to any considerable extent and most of them are tidying-up and administrative amendments.

I propose to move, when the bill receives second reading, that it be referred to the Standing Committee on Banking and Commerce.

Hon. Jean-François Pouliot: Honourable senators, before the bill goes to the committee may I remind you of the discrepancy and the discrimination that exists in the taxation of our statutory expenses? In the House of Commons each member is allowed to have a tax-free amount of $2,000 for his travelling expenses, and here we have to pay the tax on it. It makes no sense. The members of the Senate should be on the same footing as the members of the House of Commons in regard to remuneration. For a time some of our colleagues, some of whom are dead, practised a kind of *hari-kari* with regard to the rights to which they were entitled. They were sacrificing their rights on the altar of the country, and they thought they were doing splendidly. As a matter of fact, honourable senators, I do not see why we should pay any more to the state than do our colleagues in the House of Commons. What is good for them should be good for us, and what is bad for us should be equally bad for them. I would have no objection to the tax on the travelling expense allowance of the members of the Senate if the allowance of the members of the House of Commons were taxed in the same manner, but as theirs is tax free there is no reason in the world why ours should be taxed.

Some people may say that the members of the House of Commons travel more than do the members of the Senate. Who knows that? Whoever made statistics about it? Nobody. What is a fact is that when we travel we meet many senators who drive their cars or who travel on the trains or on the airplanes, and we find they travel just as much as the members of the House of Commons in order to be able to attend to their parliamentary duties.

This, honourable senators, is not a speech. It is a letter to the Honourable the Minister of Finance and the members of the Government, and I hope it will be countersigned by my honourable colleagues who do me the honour of listening to what I have said about the curtailment by taxation of our travelling expenses.

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

EMERGENCY GOLD MINING ASSISTANCE BILL

SECOND READING

Hon. R. B. Horner moved the second reading of Bill C-64, to amend the Emergency Gold Mining Assistance Act.

He said: Honourable senators, the original Emergency Gold Mining Assistance Act was passed in 1948 and, as many of you are aware, amendments to that act have come before the house from time to time since then. The powers under the original act expired after a period of three years and have been renewed from time to time. As those who have any experience in gold mining operations are aware, it is now necessary to extend the relief and assistance provided under the act to 1961-62-63 without any change in the present method of computing the amount of assistance payable.

In dealing with this bill we must take into consideration what the gold mining industry has meant to Canada down through the years. It has created an immense amount of labour and a great market for products of all kinds for those employed in the industry.

In the early days all prospectors mined for gold, and I think I am safe in saying that most of our valuable ore, including uranium, has been discovered as a result of gold prospecting. Down through the years, despite rising production and labour costs and higher costs of machinery and equipment, the price of gold has remained constant. As a matter of fact, since the price is payable in American currency, the price received in Canada has depended on the value of the American dollar, which has meant that in some cases it has been as low as $33 or $34 an ounce. I understand, of course, that should our dollar become less in value than the American dollar the gold price would increase, but that condition has not prevailed and the general condition has been that the gold mining industry has been faced with higher and higher production costs while having to sell gold without any increase in price.

Perhaps there are some questions honourable senators might wish to ask, but I would suggest that if the bill is given second reading it should be referred to the appropriate standing committee where departmental officials would be available to give a fuller explanation and to answer questions. I do think that with the understanding most honourable members have of the position of the gold mining industry and this amendment to the act to extend the relief and assistance provided thereunder for three years, it should hardly be necessary for me to give any further explanation at this time. If the bill is given second reading I intend to move that it be referred to the Standing Committee on Banking and Commerce.

Hon. A. K. Hugessen: Honourable senators, I do not think there can be any objection to the bill that is now before us which, as my honourable friend from Blaine Lake (Hon. Mr. Horner) has said, is similar to bills for emergency assistance to the gold mining industry that we have had before us almost yearly for the past twelve years.

As he says, the purpose of this bill is to extend that assistance in the same form without any change for the next three years, to 1963. There is one minor alteration which he did not explain and perhaps which he could say a word to us about. I notice that in section 1 of the bill it is proposed to confine assistance in the case of gold that is exported from Canada and sold, to gold that is so exported and sold in the form of ore or ore concentrates containing gold. That is a restriction that did not appear in the preceding bill and now has been inserted in this new one. I do not know how important that restriction may be or how many classes of people it may affect who had previously had the right to benefit by this legislation. Perhaps my honourable friend who sponsored the bill could say a word about this.

Hon. Mr. Horner: You mean gold sold in Canada?

Hon. Mr. Hugessen: No. I am talking about the words added in subparagraph (b) of subsection (1):

in the form of ore or ore concentrates containing gold . . .

That is a restriction upon the kind of gold exported from Canada and sold, in respect of which the benefit of the act is available. I wondered what the reason for that was.

Hon. Mr. Horner: The explanation I received was that there is not a plant in Canada capable of economically extracting the gold from a particular type of ore in British Columbia, so the mine operators are allowed to sell it in the form of ore concentrate rather than refined gold.

Hon. Mr. Hugessen: Thank you.

Hon. Salter A. Hayden: Honourable senators, having spoken from time to time when amendments to the Emergency Gold Mining Assistance Act have been before the house, and having had a much greater interest in gold mines on those occasions than I now have—

Hon. Mr. Hugessen: Have you sold out?

Hon. Mr. Brunt: He took a handsome profit.

Hon. Mr. Hayden: —I feel I should point out that this method of subsidizing the gold industry is not the most desirable method. But it appears to be a method which takes care of part of the increased costs of mining gold without encouraging too many people to go searching for more gold and to open up more mines, for the formula that is followed is that the assistance applies to, I think, two-thirds of the production, and in respect of that the assistance is in the form of two-thirds of the amount by which the cost of producing gold exceeds $26.50 an ounce.

Now, on that basis gold mines that are marginal may be able to continue in operation. I think that is the theory that was behind the legislation in the beginning, and it is still the theory, because communities have developed in these areas where there are gold mines, and those communities have acquired a way of living, and the farming communities and small manufacturing plants —secondary industry—in those areas look to that market for their products. I think it was felt in the original emergency legislation of 1948 that it was desirable in the national interest that some method should

be devised, the least costly to the Government, which would take care of increasing cost and so permit these mines to continue operating. Notwithstanding that, numbers of them have shut down, but there are still quite a number operating which if they did not get this assistance would have to shut down. The basic problem is a very simple one. There is a fixed price for gold, and you have your increasing costs pressing against that ceiling, so you just reach a limit where on the economics of it you could not, without this assistance, operate many of the mines at a profit. Therefore this plan of subsidies is worked out to provide for some part of the cost over what was regarded as being a basic cost that a gold mining operation should be able to absorb.

I should point out that there are times when we are very happy to have gold mines. One of those times I recall, as I am sure many senators here do, was during the war years when we were very short of foreign exchange. In looking at our figures of gold production during that period it will be seen that it was most desirable and most important for us to have it to supplement our fast-dwindling supply of U.S. dollars so as to be able to continue our financing of purchases outside Canada that were needed here in order to live and to finance the war effort. So that gold mines are very good for Canada when Canada is in a position of extraordinary emergency. We must therefore keep gold mines as long as they can operate within the plan of this formula, because the problem is such that we now have many people in various areas depending on these operations for their incomes and living. The alternative is to try to move them somewhere else. We have an example of that kind in the Elliot Lake episode. It is highly desirable that within reasonable limits of cost we should keep these communities settled and keep these operations going. I am sure that is the purpose behind the continuance of this measure for another three years.

Hon. Mr. Horner: Honourable senators, if I may be allowed, I should like to say that I have before me an explanation of this bill which was given to me by the Mineral Resources Division of the Department of Mines and Technical Surveys. It reads as follows:

> A second purpose of the bill is to amend the wording of subsection 1 of section 3 of the act to clarify a point in administrative procedure. The amendment of subsection 1 of section 3 is intended to ensure the maintenance of the policy of the Government to pay assistance on gold boullion only when it is sold to the Royal Canadian Mint and not on gold boullion that is exported and sold elsewhere. Assistance will continue to be paid on gold exported as contained in ore or concentrates which cannot be economically treated in Canada.

That is the question I was endeavouring to clear up.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Horner, bill referred to the Standing Committee on Banking and Commerce.

DIVORCE

BILLS—SECOND READINGS

Hon. F. W. Gershaw, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-470, for the relief of Shirley Edith Rich Henry.

Bill SD-471, for the relief of Helene Lepine Greig.

Bill SD-472, for the relief of Marion Adelaide Smith Berube.

Bill SD-473, for the relief of Sheila Ethel Mitchell Martin.

Bill SD-474, for the relief of Margaret Hunt Tibbo.

Bill SD-475, for the relief of Simone Laramee Desroches.

Bill SD-476, for the relief of Ethel Bannister Thomas.

Bill SD-477, for the relief of Leo Antonio Gianfrancesco.

Bill SD-478, for the relief of Mary Spalton Humphries.

Bill SD-479, for the relief of Lise Des-Rosiers Eccles.

Bill SD-480, for the relief of Nicola Salvatore Veri.

Bill SD-481, for the relief of Noreen Elizabeth Cassidy Pineo.

Bill SD-482, for the relief of Marie Therese Barolet Cayer.

Bill SD-483, for the relief of Iris Nellie Armstrong Wedge.

Bill SD-484, for the relief of Lucien Carbonneau.

Bill SD-485, for the relief of Peter Borbely (Annulment).

Bill SD-486, for the relief of Joseph Pierre Claude Aubin.

Bill SD-487, for the relief of Vladimir Ignatjev.

Motion agreed to and bills read second time, on division.

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

Hon. Mr. Gershaw moved that the bills be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP

On the order for resuming the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. Mr. Hugessen: Honourable senators, this order for resuming the adjourned debate stands in my name. May I ask permission of the house to allow the name of the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) to be substituted for mine? I understand he wishes to go on tomorrow or Thursday, and I am not ready to proceed.

Hon. Mr. Aseltine: You are not relinquishing your rights?

Hon. Mr. Hugessen: No; I retain my rights to speak after the honourable senator.

Hon. Mr. Aseltine: Agreed.

WAR VETERANS ALLOWANCE BILL, 1952

ORDER FOR SECOND READING STANDS

On the Order:

Second Reading of Bill C-71, intituled: "An Act to amend the War Veterans Allowance Act, 1952".—(Hon. Senator Aseltine).

Hon. Mr. Aseltine: Honourable senators, I ask that this order stand, and that it be proceeded with as the first item on the Orders of the Day at the next sitting.

Hon. Mr. Hugessen: Agreed.

Order stands.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, June 29, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Report of the National Librarian for the fiscal year ended March 31, 1960, pursuant to section 13 of the National Library Act, Chapter 330, R.S. 1952. (English and French texts).

Report for 1959 on the Radioactive Fallout Study Program. (English text).

Resolutions of the Canadian Bar Association and Correspondence between the Canadian Bar Association and the Department of Justice, with reference to the retirement of Judges at the age of seventy-five years. (English text).

JUDGES

DOCUMENTS RE AGE OF RETIREMENT TO BE PRINTED IN MINUTES

Hon. Mr. Aseltine: Honourable senators, with leave, I move, seconded by the Honourable Senator Brunt:

That the resolutions of the Canadian Bar Association and the correspondence between the Canadian Bar Association and the Department of Justice with reference to the retirement of Judges at the age of seventy-five years tabled this day be printed as an Appendix to the *Minutes of the Proceedings* of the Senate of this day and form part of the permanent records of this House.

Honourable senators, on June 21 I stated, as reported at page 837 of *Hansard*, that from 1936 to the present time there have been eight submissions from the Canadian Bar Association concerning the retirement of judges at the age of 75 years. I now find, and as honourable senators will see from the material which has been tabled and which will appear, if the motion is carried, as an appendix to the *Minutes of the Proceedings of the Senate* of this day, that there have been, in fact, eleven submissions on this question.

Motion agreed to.

ESTATE TAX BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (C-65) intituled: "An Act to amend the Estate Tax Act", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-65, to amend the Estate Tax Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EMERGENCY GOLD MINING ASSISTANCE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-64, to amend the Emergency Gold Mining Assistance Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Mr. White, for Hon. Mr. Horner, moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce, had considered Bill C-70, respecting the International Development Association, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CUSTOMS TARIFF BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce,

had considered Bill C-74, to amend the Customs Tariff, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EXCISE TAX BILL

REPORT OF COMMITTEE REFERRED TO COMMITTEE OF THE WHOLE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-73, to amend the Excise Tax Act and had directed him to report the same to the Senate with the following amendment :

Page 6: after the line reading: "Maple syrups; corn syrup; table syrups; molasses;" insert a new line as follows: "Margarine;".

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

Hon. Mr. Hayden: With leave, I move that the report be now adopted.

Hon. Mr. Aseltine: Honourable senators, I move, in amendment, that the said report be not now adopted, but that it be referred to a Committee of the Whole presently.

Hon. Mr. Macdonald: I assume the Leader of the Government (Hon. Mr. Aseltine) proposes to refer the matter to a Committee of the Whole now?

Hon. Mr. Aseltine: Not necessarily.

Hon. Mr. Macdonald: I do not know what "presently" means, then.

Hon. Mr. Aseltine: I thought probably on Tuesday next.

Hon. Mr. Macdonald: Then "presently" means next Tuesday?

The Hon. the Speaker: A very broad interpretation.

Hon. Mr. Macdonald: If "presently" means next Tuesday, I have no objection.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Hayden, with leave of the Senate, seconded by the Honourable Senator Beaubien, that the report be now adopted.

In amendment, it is moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Brunt, that the report be not now adopted, but that it be referred to a Committee of the Whole on Tuesday next. Is it your pleasure, honourable senators, to adopt the amendment?

Some Hon. Senators: Agreed.

Amendment agreed to.

WAR VETERANS ALLOWANCE BILL

SECOND READING

Hon. George S. White moved the second reading of Bill C-71, to amend the War Veterans Allowance Act, 1952.

He said: Honourable senators, Bill C-71 contains a brief amendment to the War Veterans Allowance Act, 1952.

Honourable senators are familiar with that act. For some 30 years it has been the means of providing assistance to a large number of veterans, widows of veterans and orphans who were unable to provide for themselves the necessities of life because of financial difficulties, aggravated in most instances by advancing years. The original act of 1930 has been revised from time to time to ensure that its provisions are in keeping with changing conditions.

The number of recipients of allowances payable under the act has increased over the years, and at the present time there are some 68,000 in receipt of allowances. Of this number about 48,000 are veterans, and the remainder are widows and orphans of veterans. The annual cost of these allowances is approximately $62 million.

The act has heretofore provided that in order to be paid an allowance the recipient must be residing in Canada. Some few years ago this principle was modified so that recipients could be absent from Canada for a limited period, up to three months, and on their return receive payment of the allowance for the period of their absence. In 1957 the period of absence permitted from Canada in order not to disturb the continuity of the allowance was extended to six months in each calendar year. The requirement that the recipient must return to Canada in order to receive the allowance was, however, retained. During the year 1959, according to the records of the department, 265 veterans and 266 widows left Canada, but they all returned within the six-month period. Also during 1959 the number of allowances cancelled because of absence from Canada over the six-month period was 32, those being allowances for 23 veterans and 9 widows. I am advised by officials of the department that this is a fair average.

This bill would permit payment of allowances to veterans and widows who absent themselves for periods longer than the present maximum of six months. It is considered that this change will not materially increase the annual expenditure because these people would be receiving the allowance if they remained in Canada.

As honourable senators are aware, payment of this allowance is subject to a means test. To qualify, a male veteran must be

60 years of age and a female veteran 55 years of age. Also eligible are veterans and widows who are permanently unemployable because of physical or mental disability.

In my opinion the means test as applied under this act is somewhat severe. The amount that the veteran or his widow or orphan receives is set out in two schedules to the act. At the present time the maximum allowance of an unmarried veteran or a widow is $70 a month, and his total maximum ceiling of income, including the allowance, is only $1,080 a year. A married veteran living with his wife may receive $120 a month, and his ceiling of total income, including the allowance, is only $1,740. I am sure all honourable senators who are veterans will agree with me when I say that both the allowances and the ceiling certainly call for an amendment.

The limitations on what a veteran or his widow may own are also somewhat severe. A veteran may be the owner of a dwelling house, not exceeding $8,000 in value; if he is married he is permitted to have personal property to the extent of $2,000; and if single, personal property to the amount of $1,000. He is also allowed to have interest income not exceeding $25 a year, and he is entitled to certain casual earnings.

I would point out that each year a veteran or a widow who receives an allowance under this act has to complete, certify by affidavit and file a form sent from the department on which is listed in the most careful and detailed way every possible check on income.

Honourable senators will recall that recently we passed in this house an amendment by which old age pensioners will be entitled to draw their pensions and reside outside Canada. If old age pensioners, who are in good circumstances, are entitled to that extension, no one would disagree with me when I say that the veterans are more than doubly entitled to any allowance or assistance in that respect.

It has come to the attention of the department over the years that a number of veterans and widows who have qualified for the allowance and now have to live in Canada find it desirable for reasons of health to be with their families who live outside the country for longer periods than the act now allows. The families of many of these persons reside in the United Kingdom or the United States, and the pensioners are anxious to spend their declining years with their families. However, they do not want to be a burden to them; they feel they would like to pay their way. If this amendment passes they will have the benefit of receiving their allowances outside Canada. It was with this thought in mind that this proposed amendment was brought forward. This bill will permit the payment of allowances to veterans and widows who absent themselves for periods longer than the present maximum of six months.

It is further provided that in order to receive payment of an allowance a recipient need not return to this country. In order to ensure that this flexibility of residence may apply to bona fide Canadians and not to those persons who may have lived for many years in other countries, the bill provides that in order to continue to receive an allowance outside Canada a recipient must have resided continuously in Canada for at least 12 months before his departure. This provision is a reasonable one as it will continue to make the allowance available to the veterans and widows for whom it was originally intended.

Honourable senators are aware, as I mentioned before, that the people who receive this allowance are subject to a means test. The maintenance of this principle outside Canada will of course introduce administrative problems. However, the necessary arrangements are now being worked out by the War Veterans Allowance Board. It is proposed that before any recipient leaves Canada he will be fully acquainted with all the matters relating to the continuance of payments while he resides elsewhere. The board wishes to ensure that no recipient shall be under any misapprehension with respect to the continuance of the means test and the necessity of providing the board with full information on any changes in marital status or other related circumstances.

In the 1957-58 session this act was amended to provide, among other things, that Canadian residence requirements under the act for a former member of the forces of His Majesty or His Majesty's allies or associated powers be reduced from 20 to 10 years where the service was in any war concluded on or before August 31, 1921. This seems an appropriate opportunity to establish a corresponding Canadian residence qualification for those who, during World War II, were members of His Majesty's forces or allies, in order that they may be entitled to allowances under the act on a basis similar to that now available to veterans of earlier wars.

The final section of this bill provides that the act shall come into force by proclamation. The reason for this is that the allowances are paid on a monthly basis, and it is intended that the act will come into force on August 1, 1960, so as to give the Department of Veterans Affairs a little time to set up the necessary administrative machinery.

I might advise honourable senators that this bill was considered by the Standing Committee on Veterans Affairs of the House of

Commons, where it received the approval of the entire committee. At that meeting a delegation from the Canadian Legion, headed by Mr. D. L. Burgess, the immediate past president, presented a brief. In speaking of the bill we are now considering, he made this comment, as reported at page 268 of the record of the committee:

> We would like at this time to commend the Government in respect of the amendments contained in this bill to amend the War Veterans Allowance Act. We believe that the result of these changes will be of considerable benefit to many recipients.

If the bill receives second reading, and it is the wish of honourable senators, I shall move that it be referred to our Standing Committee on Banking and Commerce. If honourable senators have any questions or if I can supply any information, I shall be happy to do so.

Hon. W. Ross Macdonald: Honourable senators, I am in complete accord with the provisions of this bill. I only wish it had gone further and made the benefits available to others who are entitled to them.

I shall have several representations to make to the department when the bill is before the committee, and therefore I am glad that the honourable sponsor of the bill (Hon. Mr. White) proposes that it be referred to committee.

There are still a number of persons who rendered valiant service to our country during both world wars who continue to be deprived of the benefits of this legislation. I am sure my honourable friend will not object if I say the legislation was brought into Parliament and put on the statute books by a former Liberal administration, and that it was, if not sponsored, at least wholly supported by the honourable senator from Gulf (Hon. Mr. Power), who has always taken a great interest in veterans' affairs.

I am glad this bill is before us because it brings veterans' allowances in line with pensions generally. A week or so ago we passed in this house an amendment to the Old Age Security Act whereby those who have attained the age of 70 years and have resided 25 years in Canada after the age of 21, may reside elsewhere and continue to receive the old age pension. The provisions in this bill are not exactly the same as those in that measure, but this bill does provide that those who served in either or both world wars may now leave this country and receive their allowance. It would be a gross oversight, and in my opinion a gross injustice, if this benefit were not given to the veterans, after having been extended to old age pensioners generally. Therefore, the bill will receive my full support.

The honourable senator who introduced this bill and who explained it so clearly pointed out that he thought the provisions should be more generous. I will go along with him in that respect. I also feel that deserted wives, who receive no consideration whatever under the provisions of the act, deserve consideration. At the present time, if a man in receipt of a war veterans allowance deserts his wife and family he continues to get the allowance while his wife and his family get nothing. Is that fair, honourable senators?

Reference was made a minute or two ago to the schedules to the War Veterans Allowance Act, 1952. I call attention to schedule A, section 1 (d), which states that a married veteran not residing with spouse, and without child or not residing with child, is entitled to $70 a month. No matter whether his wife deserts him or whether he deserts her, he gets $70 a month.

Then, under the same schedule in section 3 (c) a married veteran not residing with spouse and residing with child—that is to say, a married veteran who is not living with his wife but who is living with one child—is entitled to $120 a month. Of course, if his wife has deserted him there can be no complaint, but if the veteran has deserted his wife and is living alone and his wife is residing with the child, he will get his $70, and the wife will get nothing.

That is my complaint, honourable senators, and I think it is something which the department should look into. Further consideration should be given to it. Why should a man be able to desert his wife and, if he takes one child with him, get $120 a month, whereas if he deserts his wife and leaves the child with her he gets $70 and his wife and child get nothing?

There is a provision in the Pension Act under which the amount of the cheque can be divided if a husband and wife are not living together, and a portion can be paid to the wife for her support and the support of her child. For some reason or other that provision is not in the War Veterans Allowance Act, and I hope that when this bill is before the committee we shall have an explanation of why it is not. I am sure that most honourable senators will support me when I say that the deserted wife of a war veteran who is receiving the war veterans allowance should receive much more consideration than she is getting at the present time.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, bill referred to Standing Committee on Banking and Commerce.

RAILWAY BILL

THIRD READING

Hon. W. M. Aseltine moved the third reading of Bill C-61, to amend an act to amend the Railway Act.

He said: Honourable senators, when this bill was being considered on second reading a few questions were asked with respect to such things as accidents and injuries, and I undertook that when I moved third reading of the bill I would, if at all possible, give honourable senators all the information that was requested. Honourable senators will find those questions in *Hansard* of June 23.

The Board of Transport Commissioners does not know of any collisions which have occurred between a motor vehicle and a train bearing reflective markings; neither has it received any report of a collision having been averted by the presence of such markings.

Every collision at a level crossing involving personal injuries is investigated by the board in order to ascertain the cause of the collision. Where the board considers that the crossing should have protective devices, it conveys its views to that effect to the city, town, municipality or Department of Highways which has jurisdiction over the highway. If no objections are received, the board issues an order for installation of protective devices. If objections are received, the board considers them and makes such order as it thinks best under the circumstances.

The other, and more frequently used, method is an application requesting protection at a crossing. The request may be initiated by an individual, a coroner's jury or other party, but in most cases it is made by the highway authority. Each such application is investigated by the board and determined on its merits.

Hon. Mr. Macdonald: Thank you.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL TORONTO TERMINALS BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. W. M. Aseltine: Honourable senators, I thought order No. 8, for the second reading of the Canadian National Toronto Terminals Bill, would follow order No. 2 on today's Order Paper. It was at the top of the Order Paper at the last sitting, and I asked that it stand until today. This is another Government bill which has to go to committee, where officials of the railway company probably will be present. On that account I shall appreciate it very much if honourable senators will allow the honourable senator from Hanover (Hon. Mr. Brunt), who will explain this bill, to go ahead with it today so that it may be sent to committee early next week.

Some Hon. Senators: Agreed.

Hon. William R. Brunt moved the second reading of Bill C-72, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto.

He said: Honourable senators, I would like, first of all, to thank you for giving me the privilege of proceeding with the motion for the second reading of this bill at the present time.

Honourable senators, this bill is entitled an Act respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the City of Toronto. The proposed facilities will consist of an automatic electronic hump freight marshalling yard which will have a length of approximately 3½ miles and a width of one-half mile. This yard will be located in the township of Vaughan and will be serviced by two access lines. The one from the east will branch off from the present C.N.R. line near Pickering, and the one from the west will join into the Oakville subdivision of the C.N.R. near Malton. As presently planned these two access lines will total approximately 34 miles in length. In addition the project includes a diesel shop, car repair shop, cleaning facilities and various other related services, and the cost of construction of all these facilities is estimated at $87 million.

It is a well-known fact that the present freight terminal facilities in the Toronto area are greatly overtaxed and for a number of reasons these facilities in their present location cannot be expanded.

Accordingly the management of the railway believes that the construction of the proposed marshalling yard and these facilities in what is now open country outside the limits of the City of Toronto is the proper solution with respect to the expansion of freight terminal facilities in that area. The management has come to this decision not only after a study of the present conditions but also after a study of the foreseeable needs of freight traffic for the next 20 to 25 years in and about the City of Toronto.

In the course of its studies the railway also found that if it proceeded with the enlargement only of its present facilities the

expenditure would be just as heavy as the cost of this project and no marked improvement would take place in the handling of freight cars.

Moreover, it should be pointed out that this particular project is an essential part of a general program initiated by the Canadian National Railways with respect to yard construction which is now well under way at various points throughout the entire system in Canada. All of this has been undertaken with a view to improving the operating efficiency of the system as a whole. The full benefits to be derived from the capital investment which is being made in the other locations throughout the system will not be fully realized until the Toronto marshalling yard and access lines have been completed.

The railway proposes to commence its construction program during the present year and hopes to have it completed during the year 1964.

As I have stated previously, the estimated gross capital expenditure for the project is $87 million. However, from this amount there should be deducted a sum of between $5 million and $6 million which represents the estimated approximate salvage value of property which will become surplus as a result of the construction of the new marshalling yard and other facilities. This property is located within the boundaries of the City of Toronto proper. Furthermore, I am advised that the ultimate annual saving in operating expenses is estimated to be approximately $7 million. All honourable senators will realize that this represents more than a fair return on the investment.

Hon. Mr. Hugessen: Did my honourable friend say the annual saving?

Hon. Mr. Brunt: Yes, the annual saving. That is the information given to me. However, I think I ought to mention several additional savings and benefits which it is expected will accrue to the Canadian National Railways. These savings and benefits are difficult to assess in terms of exact figures, but I am advised that they may amount to several millions of dollars.

First of all, the reduction in the handling time of freight cars should substantially improve freight deliveries. Shippers will thereby receive better service and therefore will be more apt to increase their shipments over the railway.

Secondly, there will be a considerable reduction in terminal delays, and this again will assist in improving the service.

Thirdly, the establishment of this marshalling yard should accelerate the opening up of large new industrial areas, which areas will have railway service readily accessible as a result of the construction of the new marshalling yard and the new access lines.

In order to finance construction of the entire project this bill provides authority for temporary loans to be made by the Government to the Canadian National Railways, and further for the Government to guarantee the securities which the railway will eventually issue. In clause 5 of the bill a ceiling of $100 million is placed upon the loans and the guarantees to be given by the Government. The amount of $100 million represents roughly 17½ per cent over the estimated cost of the project. That is put in there for the purposes of providing a cushion just in case the estimate of $87 million is too low.

The Government feels this measure is a desirable one from the point of view of correcting a very congested situation which exists today with respect to the freight service in and about Toronto and for the improving of the service to be given by the Canadian National Railways.

I suggest, however, that in addition the project deserves special encouragement as one which is designed to improve the operating efficiency and economy of the entire Canadian National Railway system and which will result in a benefit to the population as a whole.

Honourable senators, when the bill receives second reading I will move that it be referred to the Standing Committee on Transportation and Communications, at which I would hope to have present Mr. N. J. MacMillan, Q.C., Executive Vice-President of Canadian National Railways, Mr. J. L. Cann, Project Director, who is in charge of the entire project, and Mr. J. D. Hayes, General Superintendent of the C.N.R. for the Southern Ontario District. I hope they will be present to give evidence and answer questions.

If honourable senators desire to learn more about the project before the bill is examined in committee I would refer them to the *Minutes of Proceedings and Evidence*, No. 23, of the Standing Committee on Railways, Canals and Telegraph Lines of the other place. Those proceedings contain 40 pages of evidence given before that committee, and I think every possible aspect of the entire project is covered there.

Hon. Mr. Hugessen: May I suggest to my honourable friend that it would be very useful if a large-scale map of the Toronto area could be displayed when this bill is before our Standing Committee on Transport and Communications?

Hon. Mr. Brunt: I will keep that in mind, but may I point out to honourable senators

that in the *Minutes of Proceedings and Evidence*, No. 23, of the House of Commons Standing Committee on Railways and Canals and Telegraph Lines, dated June 14, 1960 they will find a map at the back. However, I shall speak to C.N.R. officials who will be coming to attend the committee meeting and ask them to bring a large-scale map.

Hon. Mr. Roebuck: Would the honourable senator inform us whether any objections had been taken by the township of Vaughan to the placement of this hump yard in that vicinity?

Hon. Mr. Brunt: In the original plan the C.N.R. desired to place the marshalling yard rather close to the village of Concord, I believe in the township of Vaughan. There were objections to this, so the railway took, I believe, 25 people from the township of Vaughan down to look at a marshalling yard which the Pennsylvania Railroad has in the state of Pennsylvania. When they arrived they found that a model town had been built almost up to the marshalling yard and that the yard operated in a very quiet manner. Nevertheless, the residents of the village of Concord felt that the marshalling yard should be moved farther west, and I understand the railway has moved it a distance of between 2,100 to 2,500 feet farther west than the original location. I further understand that all the objections which were raised by the Planning Board Council and the various ratepayers' associations in the township of Vaughan have been satisfied.

Hon. Mr. Roebuck: Would the honourable senator tell us what will be the avenue for trucking from the yard down to the city?

Hon. Mr. Brunt: Yes. The yard passes across Highway 7. Part of it is north of Highway 7 and part of it is south of that highway. Trucking can go along Highway 7 either over to Highway 400 and then in by Highway 401, or it can go east and then down Keele street or Jane street or Bathurst street.

Hon. Mr. Roebuck: West?

Hon. Mr. Brunt: Oh, yes, one of them is west—Dufferin or Bathurst or Yonge street. I understand that the main purpose of this yard is for the handling of full carloads to marshall them into trains, but nevertheless facilities will be there to handle local freight by trucks.

Hon. Mr. Macdonald: Will the honourable senator tell us if there were other objections than those which he stated came from the township of Vaughan? Apparently the proceedings in the committee of the other place were quite protracted, and I cannot understand why this should be so if there were not other objections.

Hon. Mr. Brunt: No doubt there were objections from other people and individuals. There were many objections, because when a project like this is undertaken certain people lose their homes, which are expropriated. People do not want a thing like this close to their homes, so no doubt there were many objections when this matter was heard by the committee. No matter where they put it, the railway company would have objections. It feels it has the proper location, but there are objections to it.

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

DIVORCE

BILLS—THIRD READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the third reading of the following bills:

Bill SD-470, for the relief of Shirley Edith Rich Henry.

Bill SD-471, for the relief of Helene Lepine Greig.

Bill SD-472, for the relief of Marion Adelaide Smith Berube.

Bill SD-473, for the relief of Sheila Ethel Mitchell Martin.

Bill SD-474, for the relief of Margaret Hunt Tibbo.

Bill SD-475, for the relief of Simone Laramee Desroches.

Bill SD-476, for the relief of Ethel Bannister Thomas.

Bill SD-477, for the relief of Leo Antonio Gianfrancesco.

Bill SD-478, for the relief of Mary Spalton Humphries.

Bill SD-479, for the relief of Lise Des-Rosiers Eccles.

Bill SD-480, for the relief of Nicola Salvatore Veri.

Bill SD-481, for the relief of Noreen Elizabeth Cassidy Pineo.

Bill SD-482, for the relief of Marie Therese Barolet Cayer.

Bill SD-483, for the relief of Iris Nellie Armstrong Wedge.

Bill SD-484, for the relief of Lucien Carbonneau.

Bill SD-485, for the relief of Peter Borbely (Annulment).

Bill SD-486, for the relief of Joseph Pierre Claude Aubin.

Bill SD-487, for the relief of Vladimir Ignatjev.

Motion agreed to and bills read third time and passed, on division.

INCOME TAX BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of the Hon. Mr. Thorvaldson for the second reading of Bill C-68, to amend the Income Tax Act.

Hon. Salter A. Hayden: Honourable senators, regretful though it may be, it is now time to return to the business of tax collecting after my honourable friend from Hanover (Hon. Mr. Brunt) has had the opportunity of carrying you on a program of expenditures. Of course, as we know, it is always easier and more enjoyable to spend money, especially if we do not feel too clearly that we are contributing to those expenditures, as we do when the tax collector comes around and exacts a portion of our income. Yet however happy you may have felt over this program, we now have to come to the reality of how the money is provided for these various things that are done. May I say at the outset that I do not propose to deal with all the amendments which are contained in the bill before us. Some of them are so matter of fact and a few are expressed so clearly that we do not need to spend much time on them. Whatever the formalities are, we shall get them in committee. A few of the amendments involve some change of principle, and I thought I should discuss those for a few moments.

Since this seems to be the hunting season so far as suggestions regarding income tax are concerned—and one was made here last evening—I have one to propose now before I get down to the business of the meeting, and that is that some consideration should be given to this fact. At any time when the taxpayer is indebted to the Government for income tax and he does not pay it as promptly as he should he is charged interest, and at any time when he has overpaid in accordance with the provisions in the statute he is entitled to a refund, plus interest, but the interest rate on the refund is substantially lower than the interest rate charged against him for not paying as promptly as he should.

Another aspect that has struck me as being unfair is that when we introduced the system of instalment paying of taxes during the war—the Ruml Plan, I think it was called—the taxpayer in certain categories other than salaried employees was required to estimate his income, and therefore his tax, for the year and to pay by instalments in four quarters, and any balance on April 30 of the next year. Well, conceivably, a man in almost any profession may find himself in periods during the year when business is slack and therefore income is not as great as at other times of the year. So when he makes an estimate or if he bases his income tax for the current year on what it was last year he is at some stage, as a result of estimating for the whole year, prepaying a tax which, if it were collected exactly on the amount of income he had earned in that period, would represent a substantial overpayment. The effect of it is of course that the Government is getting the use of the taxpayer's money for that period of three months, six months, nine months and twelve months whereas formerly taxes were paid on the 30th of April of the year following the taxation year.

I suggest for the consideration of the Government that thought should be given to that point if this method of instalment payment of taxes is going to be with us for all time, as I would think it is. I think it has many advantages; it is not quite so painful having to pay in four instalments as it would be if you had to pay the lump sum on the 30th of April in the following year. I think in fairness to the taxpayer he should receive some consideration for providing the money for the use of the Government on the basis on which he does. Now, remember, if I estimate my tax for the current year rather than take the basis of the previous year's income and tax, and my estimate is low because, perhaps, the fourth quarter is much better than I anticipated, I find when I get my assessment that I have been assessed interest because the instalment payments regularly due over the period of the year have not conformed percentagewise to the total of tax that at the end of the year can be determined on the basis of my full year's income.

Hon. Mr. Brunt: Is it not a fact that if you base the estimate on your previous year's income and pay instalments accordingly, and your current year's income proves to be much higher, no penalty is imposed for underpaying your tax each quarter?

Hon. Mr. Hayden: Yes. Likewise, if I pay on the previous year's income and my income in the current year is less I have lost the use of a certain amount of money for the year.

Hon. Mr. Brunt: That is right, but in the other case you have the use of the extra money.

Hon. Mr. Hayden: Now, may I come to what I call the business of the meeting.

There are certain sections of the bill that I propose to deal with, and the first is section 1. This brings in some aspects of the estate tax and succession duty that may be paid on a pension benefit or a death benefit or a benefit under a registered retirement savings plan, and it proposes, on a formula which I shall explain, to say that some portion of the annual payment by way of pension that may be received will not be regarded as income in that year by the person so receiving that benefit. I think it is intended to be some sort of compensation to meet the objections which were taken very strenuously in the Senate and in the Senate committee when the Estate Tax Bill was before us several years ago. You will remember that at that time an amendment was proposed and carried here, and the bill with that amendment was presented to the other house. The other house refused to accept it, and in the interest of securing an Estate Tax Bill which in so many ways was better than the existing Succession Duties Act the Senate did not insist on its amendment. But the compensation that is provided in this section does not go the whole way. If you recall the amendment which was made to the Estate Tax Bill—which, as a matter of fact, was moved by the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) in 1958—it provided that in the case of the valuation of a pension on which in the process of building up that pension the income tax on contributions by the employee to the pension fund were deferred, in arriving at a basis for valuation of that pension at the time of death of the person on whose death the pension would be payable there was inherent in the valuation the element of income tax which would have to come out of that as well as the value of the benefit itself. Our amendment was designed to remove the element of income tax before establishing the valuation of that pension.

To some extent there is compensation in this section of the bill in recognition of that factor. What this bill proposes is this formula, that you determine the amount of the estate tax that is payable or is included in your total of estate tax because of this benefit, and then you determine also the amount of succession duty in the province that is referable to the value of this benefit that has been included for succession duty purposes. You add the two of them together and then you put them over the value of the benefit and you get a fraction, and then you apply that fraction to each annual payment that is received by the beneficiary of that pension. If the fraction should happen to be one-sixth, and the annual payment was $600, then there would be one-sixth of $600 that would not be regarded as income in that year, and therefore the income that the taxpayer would have to account for on that very rough illustration would be $500 instead of $600.

I should point out that while that is aimed at relieving or compensating for having imposed an estate tax and succession duty on the valuation of a benefit, an element of tax which must be paid over the years, it still does not deal with the difficulty that we felt existed. That difficulty was that the estate is called upon to pay an estate tax on the valuation of a benefit or of a pension which has built into it at that time an income tax liability as well as the value of the money that will be received and kept by the person entitled to it. All it does is to give back in each year as long as the pensioner lives a portion represented by this formula as some refunding, I suppose, of the amount of estate tax and succession duty that was added by reason of the basis of valuation that is prescribed in the Estate Tax Act.

You will remember that in the Estate Tax Bill which we had before us last week there is a provision that goes a very short distance. All it does is to provide for revaluation and possible refund of estate tax if there is a change in circumstances within a period of four years. An example would be the remarriage within that period of a widow who was entitled to a pension that had been valued on the basis of her life expectancy, a pension, say, of the type that would be terminated as far as she was concerned, if she remarried within a period of four years. That amendment indicates the proper spirit. I might say, though, that it indicates a very slow and plodding approach to the problem, and it is not the kind of approach that is likely to provide very much relief. The only thing I can say is that it seems to indicate a good intention. If the department keeps that up, maybe some time we will stand up here and say, "Well, you finally got through—slowly, it is true—and we commend you for finally recognizing the merit in the proposal that we made when the bill came in in 1958."

Hon. Mr. Brunt: Oh, we are making progress.

Hon. Mr. Hayden: Yes; even the turtle does.

Next I want to refer very briefly to section 6, because this bill is going to committee. For the life of me at the moment I have difficulty in understanding why the change is made in the language. On the right-hand side of page 5 of the bill you will see the wording of this section in the present act. I may say this is dealing with taxable earnings in Canada of a non-resident person. It reads as follows:

(a) the part of his income for the year that may reasonably be attributed to the duties performed by him in Canada or the business carried on by him in Canada,

The amendment proposed is this:

his income for the year from all duties performed by him in Canada and all businesses carried on by him in Canada,

For the life of me I cannot appreciate the difference in the language. I know some of the words are different and the order of presentation is different, but why that is done I cannot understand. If it is done only in the interest of having a more pleasing sentence, I do not think that is enough at this stage to justify a change in the income tax law and in the draftsmanship to which we have become accustomed.

Hon. Mr. Aseltine: I am always in favour of simplification.

Hon. Mr. Hayden: Does my friend think one version is a simplification as against the other version?

The next section that I wish to deal with, in a more serious way, is section 11 on page 8 of the bill. This is a section on which I asked the sponsor of the bill (Hon. Mr. Thorvaldson) a question last evening. This amendment proposes a change in the wording and in the basis of the principle for determination of what are associated companies.

Now, I do not like to weary you with this matter, but if you would look at the explanatory notes opposite page 8 you will see that the present law for determination as to whether or not one company is associated with another is set out. I should preface this by telling you that the reason for this is a provision in the income tax law under which a company may secure a lower rate of tax on the first $25,000 of income subject to tax. But in order to prevent the subdivision of a great many companies so that you would have many operations and many companies with incomes up to $25,000 or $50,000, an elaborate rule was worked out as to the conditions under which a company may qualify for the $25,000 of taxable income at a lower rate.

That indicates what is meant when the expression "associated companies" is used. And apparently this rule that was devised has been in the statute ever since that provision for a lower rate of tax was brought in some years ago. It was based on the ownership of shares held, in the main. As can be seen from the explanatory notes opposite page 8, the present subsection (4) reads:

(4) For the purpose of this section, one corporation is associated with another in a taxation year if, at any time in the year,

(a) one of them owned directly or indirectly 70% or more of all the issued common shares of the capital stock of the other, or

(b) 70% or more of all the issued common shares of the capital stock of each of them is owned directly or indirectly by

(i) one person,

(ii) two or more persons jointly, or

(iii) persons not dealing with each other at arm's length one of whom owned directly or indirectly one or more of the shares of the capital stock of each of the corporations.

I suggest, honourable senators, that this is exactly the kind of language that my friend, the Leader of the Government (Hon. Mr. Aseltine) subscribes to. This is simple, this is direct, this is not confusing at all, and it is entirely objective. That is, you look at this set-up, and there it is, the rule of ownership. But what have we come into now with the proposed amendment?

This subsection is to be repealed. Section 11, which repeals subsection 4 of section 39 of the act, enacts a new subsection (4) as follows:

For the purpose of this section, one corporation is associated with another in a taxation year if, at any time in the year,

(a) one of the corporations controlled the other,

Now, what is the meaning of that? I asked my friend the sponsor of the bill (Hon. Mr. Thorvaldson) last evening, and he seemed to be surprised that I should ask such a simple question on such a simple matter that appeared to be so clear. But what do they mean by "controlled"? Do they mean share control? Do they mean control by agreement? There are many different ways in which control may be had. There is also a type of control which is known as effective control, a well-known expression. That is to say, you may have less than 51 per cent, less than the majority of shares, and yet you can have effective control of a company, having regard to the number of shares that are out. You can sometimes have effective control with as little as 30 per cent of the shares of a company and year after year you can select your board of directors and run the affairs of the company. Therefore, I ask what does it mean?

I find the word "control" in relation to certain features of the Income Tax Act is defined. But in its definition it is tied into those certain features of the act, and I cannot look at the act generally to determine what is "control".

Then I go on to read these words:

(b) both of the corporations were controlled by the same person or group of persons,

I can understand that definition partially but not entirely, because the word "controlled" still bothers me.

If we go down to paragraph (d) we find the complication develops. We see, for instance, that two companies are associated companies if at any time during the year,

(d) one of the corporations was controlled by one person and that person was related to each member of a group of persons that controlled the other corporation, and one of those persons owned directly or indirectly one or more shares of the capital stock of each of the corporations.

It is a little more complicated. Then if we look at the definition of "related", which I find in section 139 (5) (a) of the present Income Tax Act, we see that for individuals it means blood relationship or relationship by marriage; but for corporations I find a whole list of rules set out, and they are more or less similar to the rules stated here. So I am still faced with the puzzle of trying to find out what this new language means in relation to its use in defining "associated companies".

If I may for a moment turn to page 9, I find a saving provision. That provision gives a little leeway, but it also leads to more confusion. My suggestion to honourable senators is, don't read it. I will try to explain it to you. I got lost a half dozen times part way through my reading of it. However, I think the effect of the saving provision is this: if, for instance, a bank has made a loan to an industrial company and is not too sure that the loan is going to be paid, or that the operations of the company are not being as well carried on as they should be, the bank then looks for more security, and the additional security it takes may be a transfer of ownership of shares. Now, if you did not have the saving provision, in those circumstances the bank and the industrial concern might be associated companies, and that would possibly present some complication.

So you have on page 9 a saving provision under which, in certain circumstances—even though the facts may fit the definitions in section 11 as to what are associated companies—it is specifically provided that a company which, in the circumstances set out on page 9, might be associated with another company, is not to be regarded in law as being associated. One of the purposes of the distinction is that as set out in subsection 6(b) on page 9 of the bill:

the chief purpose for which the controlled corporation was at the particular time so controlled was the safeguarding of rights or interests of the controller in respect of

(i) any loan made by the controller...

When you get down there you see what the exception is. But that exception only increases the extent and scope of the definition of the words "controlled" and "control".

In the interests of clarity, surely we should be able to work out some definition if the rule of control is to apply, and surely we can express it in simpler terms. I warn honourable senators who are lawyers that one effect of this proposed change in the law is that of reducing the share requirement, in order that two companies may be associated, from an ownership of 70 per cent of the shares to at least an ownership of 51 per cent.

Hon. Mr. Farris: Are you not stimulating litigation?

Hon. Mr. Hayden: The honourable senator from Vancouver South (Hon. Mr. Farris), as usual, has made a very interesting comment. It is quite likely that the effect of this may be to stimulate some litigation, which I am sure will be satisfactory to the Tax Appeal Board and our courts. It would give them an assurance of work, and it might also be of interest to lawyers. However, I am speaking in the interests of the taxpayer, and I think the taxpayer should have as clear a statement of the law as it is possible to give him. I think that when we are changing something that is so objective and so simple to something that has much broader implications we should try to achieve as great a degree of clarity as we can.

The next section I want to refer to is at pages 10 and 11 of the bill. It is section 13, and here again we have a simple change in language. This deals with amendments to section 41 of the act, and the title of that section of the act is: "Rules applicable to all taxpapers" and the sidenote is "Foreign tax deduction".

May I point out to you, honourable senators, that at the bottom of page 10 you will see the amending words underlined, being "any income or profits". If you look on the pages opposite pages 10 and 11 you will see what the law is at present. What is being done is to change the expression "the tax" to "any income or profits tax". That is being done in two places as set out in subsections (1) and (3) of section 13.

What the implications of that are I confess I do not know. Later on in the bill, on page 12, I find in subsection (7) of section 13 that I am supposed to get some enlightenment because a definition is given. Subsection (7) of section 13 reads:

A tax paid by a taxpayer to the government of a country other than Canada for a taxation year may, subject to prescribed conditions, be deemed, for the purposes of this section, to be an income or profits tax paid by him to the government of that country for the year.

What does that mean? What it says is that any income or profits tax that a person may pay to a government of some country other than Canada is an income or profits tax. Why change the words "the tax" which occur in the present statute in section 41 to the words "any income or profits tax"? If there is some purpose in making the change then certainly we should know of it. If it is

a purpose that is likely to change any incidence of tax or is likely to reduce the amount of a foreign credit I think we are entitled to know, so that we can consider the implications and decide whether that is a proper thing to do in the circumstances.

The next amendment I want to speak about is contained on pages 13 and 14, in section 16. This is an amendment which I say, in all seriousness, is very, very puzzling. We have in the present Income Tax Act section 56, which is a provision under which a civil penalty may be imposed on all taxpayers who wilfully evade or attempt to evade the payment of income tax. The present section 56 is not set out in the bill, but I will read it so that you will understand the point I am making:

> Every person who has wilfully, in any manner, evaded or attempted to evade payment of the tax payable by him under this part for a taxation year or any part thereof is liable to a penalty, to be fixed by the minister, of not less than 25% and not more than 50% of the amount of the tax evaded or sought to be evaded.

You will notice that the significant words there are:

> —who has wilfully, in any manner, evaded or attempted to evade—

Section 16 of the bill that is before us proposes to add a subsection (2) to section 56, and that subsection (2) is to read in the following manner:

> Every person who, knowingly, or under circumstances amounting to gross negligence in the carrying out of any duty or obligation imposed by or under this act, has made, or has participated in, assented to or acquiesced in the making of, a statement or omission in a return, certificate, statement or answer filed or made as required by or under this act or a regulation, as a result of which the tax that would have been payable by him for a taxation year if the tax had been assessed on the basis of the information provided in the return, certificate, statement or answer is less than the tax payable by him for the year, is liable to a penalty of 25% of the amount by which the tax that would so have been payable is less than the tax payable by him for the year.

How do you distinguish, honourable senators, between something done "wilfully" and something done "knowingly, or under circumstances amounting to gross negligence"? If it is done in circumstances amounting to gross negligence, or knowingly, the civil penalty is 25 per cent. If the evading is done wilfully in any manner, or is attempted, the penalty is 25 per cent to 50 per cent. What is the yardstick for determining when you apply subsection (1) and when you apply subsection (2)?

There is no standard formal definition of "gross negligence" under which we can safely operate. Many judges at different times have said that gross negligence is a very great degree of negligence, but how are you going to determine when there is gross negligence and when there is wilful evasion? Secondly, what is the difference between "knowingly" and "wilfully"? If I knowingly assent to a return which understates my income the circumstances would certainly have to be very greatly elaborated for the minister to be able to distinguish between "knowingly" and "wilfully", and to say that it was something done other than wilfully.

I recognize that there is language in section 16 which is more elaborate than the language in section 56 of the statute, but the end result in each case is that you end up by misstating the amount of tax.

Hon. Mr. Roebuck: Might I suggest that the word "wilfully" implies there is an intent to deceive. That is, the will to do it is there. That is the old law. The new subsection is apparently a provision in regard to any mistake that is made by a person who knows the facts, or who should know them, and who in some way misinterprets them or fails to add up a column of figures correctly, or does something of that kind, as a result of which he pays less tax than he is legally obliged to pay.

Hon. Mr. Farris: Stupidity at a premium.

Hon. Mr. Roebuck: Yes, stupidity at a premium.

Something very questionable is being added here. It is quite right to impose a penalty on somebody who wilfully perpetrates a fraud on the department, but to punish a person who merely makes a mistake that he should not have made, unless he is grossly negligent, is a long step in the wrong direction.

Hon. Mr. Hayden: I am glad that my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) interrupted, for it just shows the complications that are likely to develop with respect to the interpretation of these words. My honourable friend immediately assumed that there is no distinction between negligence and gross negligence, but the bill uses the words "gross negligence". In looking up text books as to the interpretation of "gross negligence" I find, for instance, in Sanagan and Drynan's *Encyclopedia of Words and Phrases—Legal Maxims, Canada,* that in some Ontario cases the expression has been defined as:

> "Gross negligence" means that want of reasonable care, skill, and expedition which may properly be expected.

In the same volume I find another rather interesting approach, where it states:

> The courts are now resolved to ignore mere verbal distinctions between different degrees of negligence as defining the true measure of liability

and to pay regard to the degree of diligence which the situation assumed by a person demands, rather than to his carelessness.

So you have that wide range of meaning, and I must conclude that adding the word "gross" is intended to point to an ultimate degree of negligence. I have difficulty in distinguishing between that ultimate degree of negligence and the doing of something wilfully. I know that in the Criminal Code the expression "knowingly" is very often used in relation to certain offences, and we have the wording that is well known to lawyers about *mens rea* being an essential element of the offence, and that has been freely interpreted at times as meaning "knowingly" and also "wilfully".

What I am directing the attention of this honourable body to is the difficulty that is going to be presented with regard to interpretation if you have two sections with this language. Obviously the taxpayer in trouble would be searching all the legal authorities, annotations and dictionaries to establish that what he did was gross negligence and not anything wilful, but the determination is in the hands of the minister who is administering the statute. How is that interpretation going to apply when he is looking at the meaning now proposed as against his present ability to apply it to the "wilfully" section when he has a range there of from 25 to 50 per cent?

Under the present section, which speaks of wilfully attempting to evade tax, what are the factors which influence the minister in one case to fix the penalty at 50 per cent of the amount of the tax evaded or sought to be evaded and in another case to fix it at 25 per cent? There must be a range of culpability that makes him decide that a particular case is not as bad as it could be and therefore he fixes the penalty at, say, 25 or 35 per cent.

When the minister has to set off against that another subsection which contains the words "knowingly, or under circumstances amounting to gross negligence" and under which the penalty is 25 per cent, my suggestion to this house in all seriousness is that the difficulties of interpretation are going to be such that it would be preferable to have one section which completely spells out the situation for a civil penalty. I am not questioning the propriety of having a civil penalty. It is already in the law and you have a range now of 25 to 50 per cent, but why bring in another section which confuses the interpretation?

There are several other sections in the bill dealing with personal corporations. They are ameliorating and qualifying and deal with non-resident investment corporations. I do not propose to take up your time to discuss them.

I think I should direct your attention to the fact that under section 29 of the bill, on page 20, some of the penalties are lightened in respect to failure to withhold tax. This section deals with three different kinds of situations. One is where an agent has received a payment on behalf of some non-resident entitled to the money. The obligation has been on the agent receiving that money to withhold a tax. This subsection now gives him justification for withholding it as between himself and the person who is entitled to the payment.

This section also provides that a person who has failed in his duty to withhold the tax on amounts going to a non-resident is liable to pay the tax on behalf of the non-resident, but the new subsection (5) gives him the right to demand repayment from the non-resident of any tax so paid. At the present time the penalty imposed on a person who has failed to deduct or withhold the tax on amounts paid to non-residents is 100 per cent of the amount that should have been deducted or withheld, but section 30 of the bill reduces the penalty to 10 per cent.

The last item I wish to talk about is section 33(5) of the bill, which is found at page 23. This section attempts to define income source. That sounds very complicated, but I should start off by telling you that this section owes its origin, I believe, to a case that recently went to the Supreme Court of Canada. The judgment upheld the position of the company as against that of the minister. The citation is *Interprovincial Pipeline Company v. The Minister of National Revenue* (1959) S.C.R. p. 763 and following.

To assist honourable senators in understanding this section, may I just take a few minutes to present the facts of this case?

The Interprovincial Pipeline Company owned and operated a crude oil pipe line running from Redwater, Alberta, to a point on the international boundary south of Winnipeg and from a point on the international boundary near Sarnia to a point near the City of Toronto. The connecting link in the United States was owned and operated by Lakehead Pipe Line Company Incorporated, a wholly-owned subsidiary of Interprovincial and having its head office at Superior, Wisconsin.

I understand the reason for this was that the United States requires pipe line companies, as well as other types of companies, to be corporations of that country.

The Interprovincial Pipeline Company had no office or place of business or permanent establishment in the United States and carried on no business there.

For the purpose of the construction of the pipe line Interprovincial raised all the capital, the greater part of which was borrowed from the public who purchased bonds and debentures.

Lakehead did no independent financing. It borrowed from Interprovincial and that company took from its subsidiary, that is, Lakehead, interest-bearing demand notes and bonds. Interprovincial also made certain investments in United States Treasury Bills pending the need for these funds for construction purposes. Consequently in the years 1950-54, inclusive, Interprovincial received substantial payments of interest in the United States from its subsidiary and the Treasury Bills. The United States withheld 15 per cent. This is their withholding tax which, under the convention, is the same as we have in Canada.

The question at issue was this: Was Interprovincial entitled under section 38(1) of the 1948 Income Tax Act to a tax credit for this withholding tax for these years?

The minister disallowed the deduction on the basis that Interprovincial had no profit from the receipts of interest from United States sources, having paid interest on its own borrowing to an amount equal to or in excess of these receipts and these interest payments having been recognized as deductible expenses.

Now, remember in that connection that Interprovincial borrowed the money in Canada with the obligation to pay interest in Canada, and did so. It lent this money to a United States subsidiary which used it for any purposes of payment and it paid interest to the Canadian company, but the United States company took a United States withholding tax off the interest. In the Supreme Court it was held that on the law as it stood at that time Interprovincial was entitled to a credit for the withholding tax because there was no statutory basis for the minister's saying that interest and profits were interchangeable words. Arising out of that I think you have this new section 139(1)(a), the purpose of which is to deal exactly with that situation and to have the right to a credit for withholding tax paid to another country on a right basis. You will notice the language of the section:

> For the purpose of this act,
> (a) a taxpayer's income for a taxation year from a business, employment, property or other source of income, or from sources in a particular place means the taxpayer's income computed in accordance with this act on the assumption that he had during the taxation year no income except from that source or those sources, and was allowed no deductions in computing his income for the taxation year except such deductions as may reasonably be regarded as applicable to that source or those sources and except such part of any other deductions as may reasonably be regarded as applicable to that source or those sources.

In effect, if this section had been in force at the time the Interprovincial case was on the go the minister's treatment of the question would have been the proper treatment, because what he was saying was: True, the Canadian company only had income by way of interest from the United States, but it had incurred some expenses in Canada that were reasonably referable to that source of income in the States, and therefore even though you paid withholding tax on the full amount of the interest in the States—because the United States does not recognize Canadian expenses as deduction from U.S. income —the United States income must be reduced by the amount of the expense that can be reasonably regarded as applicable to that income, and then the credit that you got is only the percentage of withholding tax and not the entire withholding tax paid.

I tried to work out a formula to illustrate that point and put it in writing just to illustrate how this thing works out.

Two things are comprised: section 41, which is the section dealing with foreign tax credits, and then section 139.

An example of the calculation of the foreign tax credit is as follows: Suppose "X" company has a net profit in 1960 of $90,000 from all sources. Of its revenue, $50,000 in interest is received from sources within a foreign country upon which a withholding tax of $7,500 is imposed. An additional $25,000 in dividends is received from a corporation in the foreign country more than 25 per cent of the voting stock of which is owned by the "X" company. A further $3,750 of withholding tax is imposed on these dividends. "X" company receives a further $75,000 in interest from sources within Canada. All its investments were acquired with the proceeds of a bank loan, the interest on which amounts to $60,000 annually.

In working out the foreign tax credit you find this. The foreign tax credit under section 41(1) is calculated as follows: Taxable income equals the revenue consisting of $50,000, plus $25,000, plus $75,000, making a total world income of $150,000. You subtract from that the interest expense as apportioned under the requirements of the statute, namely, $50,000. The world income is $150,000, as above, but as far as Canada is concerned only $125,000 of that is subject to consideration in Canada, as $25,000 of United States

dividends is non-taxable in Canada. You put 125,000 over 150,000 and you find what is chargeable in Canada for the money that you borrowed, and that is deductible. For Canadian income purposes you subtract the $25,000 of United States dividends, because they do not bear any tax. So you then come to taxable income in Canada of $75,000, and you proceed to calculate your tax on that and you come up with a tax of $30,250. The amount that was paid in the United States withholding tax, except the tax paid on the dividends which you cannot take into your calculation at all, is $7,500.

Now you want to see whether under Canadian law you are entitled to deduct the withholding tax or some other figure. On the formula you take the foreign income minus the exempt dividends, that is, the foreign income of $75,000 less exempt dividend income from the United States, which is $25,000, and also the portion of the United States expenses $25,000, and you put that over world income, which is $150,000, minus $50,000, minus $25,000, and multiply it by $30,250, and you get $10,083. Therefore, your foreign tax credit being the lesser of $7,500 or $10,083, in this particular case you are allowed to take a credit for the withholding tax of $7,500.

I would call your attention to this, that the foreign tax credit diminishes as the numerator in the fraction I have illustrated above approaches zero. In other words, the greater the amount of expense that Canada can allocate to the United States income, the lower is going to be the amount of the foreign credit. Yet the only rule we have for determining it in the language used on page 23 of the bill, in subsection 5 of section 33, is:

> ...deductions as may reasonably be regarded as applicable to that source or those sources.

Now we see the extent to which the minister's interpretation went even before this change in the law was being proposed, because in the Interprovincial Pipeline case he said that the interest paid in Canada on the money borrowed in Canada was an item of expense that was referable to the income by way of interest received from the United States company by the Canadian company which lent that money. Now, how far does it go? Does this business of expenses that may be reasonably recorded as wholly applicable to that source cover all the various types of promotional expenses in Canada in relation to an operation that may be going on in Canada and the United States? Does it cover indirect expenses which may be partly allocable to the United States? I do not know. I have not enough information to be able to assess exactly what is intended to be the scope of this amendment. All I can do is to point out what I think are the risks inherent in it and to say that in the International Pipeline case we know the position that the minister said he had the right to take under the law. In that case he regarded Canadian expenses as being properly referable and allocable to United States income for the purpose of reducing that income and by doing that he reduced the income in the International Pipeline case to such an extent that income and expenditure balanced out, and therefore International Pipeline was entitled to no credit on the withholding tax paid in the United States.

Hon. Mr. Farris: Have you any observations to make as to the justice of that?

Hon. Mr. Hayden: The observations I am making at the moment are addressed to the attempt to ascertain the scope of it and how far is it intended to go, and what are its ramifications. But as to the justice of it, I have found—

Hon. Mr. Roebuck: "There ain't no justice".

Hon. Mr. Hayden: —I have found that justice in the abstract—

Hon. Mr. Brunt: Careful, now.

Hon. Mr. Hayden: —is not too moving a consideration in the question of the application of taxing provisions to income and to deductions. I think there are sources of income, and there are formulae worked out to get at an element of that.

It bothers me a bit to learn that a company in Canada borrows money, contracts to pay interest on it and then loans that money in the United States and receives income from it, but the income it receives is subjected to a withholding tax in the United States. In relation to operations which a Canadian company or individual might carry on elsewhere—say in the United States—I have the feeling that as a general principle of law the costs of that operation and of earning that income in the United States would be recognized as against his income in the United States; in other words, he would bring home his income and bring home his expenses. But to find that he has no expenses which are recognized in the United States so that they can be offset against United States income, to find that expenses in Canada are allocated for the purpose of determining what portion of foreign tax he is going to get credit for in Canada, indicates an extension of the principle and qualification of the rule, to the extent of the rate of Canadian tax he will be allowed as deduction in respect of taxes paid in the other country. That has always been put forward as being the general rule. But if you are going

to import these artificialities, if you are going to create something as an expense of doing business in another country which does not appear in the balance sheet of the operations in that other country and is not reflected as a charge against income and a reduction of taxes in that other country, it is certainly going a long way on the road to artificiality, as I call it, in reaching out for income tax revenue.

For that reason I shall be much interested to get the explanations. I have indicated clearly for those who want to read what I think the difficulties are. The chief difficulty at the moment is that one is not able, in my opinion, from my reading of the section, to determine the scope or extent of application of the principle that seems to me embodied in this particular section.

Hon. T. D'Arcy Leonard: Honourable senators, this bill has been very ably presented by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) and it has been very thoroughly and learnedly analysed by the honourable senator from Toronto (Hon. Mr. Hayden), so my remarks will be brief.

I think I should say something about clause 1 of the bill. As the honourable senator from Toronto said, this clause deals with the same subject-matter that the Senate dealt with two years ago in its consideration of the Estate Tax Bill. At that time I moved an amendment to the bill for the purpose of eliminating a double tax on pensions and annuities, a duty on the estate under the Estate Tax Act and a tax under the Income Tax Act. At that time we made five or six amendments to the Estate Tax Bill, and all were accepted by the other place except this one amendment dealing with the taxation of pensions and superannuation benefits. Clause 1 of the Income Tax Bill deals with that same subject-matter, and my main purpose in rising is to compliment the Government, particularly the Minister of Finance and his taxation advisors, to the extent that they have now removed the element of duplication of taxation that was in our minds at that time.

The fact that it is being done under the Income Tax Act instead of under the Estate Tax Act, as the honourable senator from Toronto has pointed out, still leaves some anomalies, one might say, in so far as the double taxation feature is concerned.

I may recall that when the Estate Tax Act was before us it was apparent to the majority in this house that pensions were being taxed in full, at their full valuation, without any allowance being made for the fact that when those pensions were received by the widow or the other beneficiary, they were also going to be subject to an income tax. No allowance was made in the valuation for estate tax purposes for that liability. The Estate Tax Bill was the only bill before us, and the only way in which we could deal with the double taxation was to amend that bill. Our amendment went to the other place. It was rejected for three reasons. The first and apparently the primary reason stated was that the result of our amendment would be to create a discrimination in favour of a particular type of asset.

The fact that an amendment is now being made to the Income Tax Act, whereby an allowance is made against the income tax for the estate tax that has already been paid, means we were correct in our view that instead of there being a discrimination in favour of that class of asset there was actually then existing a discrimination against it, and this amendment before us now is for the purpose of eliminating that discrimination. Therefore, I think the Government and its taxation officials are entitled to be complimented for having found in the two years that it is possible to eliminate that discrimination to some extent, at any rate.

Now it is true that if one could find a way of dealing with this in the first instance when one is dealing with the estate tax, some of the objections which the honourable senator from Toronto mentioned would not arise. The way it has been done here is that year by year as the recipient receives his or her pension an allowance is made against the estate tax which has already been paid.

This does rough justice. In other words, the pensioner who does not live out his normal life expectancy does not receive back the full measure of benefits against the tax that has already been paid. On the other hand, the pensioner who lives beyond his life expectancy will receive back that amount and more. That of course is what happens under any taxation system where we have to deal with expectancy of life. One can only deal with citizens on an average basis, and consequently there will be injustices in individual cases. So a formula has been found to remove the discrimination through the Income Tax Act.

It seems to me a formula might also be found that would give at least as much rough justice, and probably be somewhat fairer to the taxpayer in determining his liability in the first instance when the estate tax is applied, instead of assuming that the pension is going to be paid in full, taxing it in full, and then in effect using the Income Tax Act to refund the tax.

It is as least within the realm of probability, I would think, as the estate taxation authorities gain experience with this method

under the operations of the Estate Tax Act and the Income Tax Act, that a still better method may yet be found, possibly under the Estate Tax Act, for giving an even greater measure of justice than this bill affords.

Certainly, I think it only right, in view of the fact that the Senate took the stand it did two years ago, that we should acknowledge the action of the Government and of the Minister of Finance in proposing this amendment at this time.

Hon. Calvert C. Pratt: Honourable senators, may I say a word on one phase of this bill, particularly with reference to clause 11, a provision in this bill which will change the initial basic rate of taxation of many of the smaller and lower-income corporations.

Companies have a lower rate of taxation on profits up to $25,000 and over that the rate heavily increases. Under the act as it now stands, where a controlling shareholder or an association of shareholders has a controlling interest of not over 70 per cent of the shares the lower basic rate applies. But, by the change, if a shareholder has a control of 51 per cent of the shares the profits of the company are, in effect and for the practical application of taxation, pooled with the company or companies which the majority shareholder and his associates also control. The smaller shareholders in those circumstances lose the benefit of the lower rate of taxation on the annual income up to $25,000.

Big corporations will not be materially affected by this change. But I think its effect would be unfair to small companies, and particularly to investors in locations where the smaller operations are carried on. To change the percentage of holdings from 70 per cent to 51 per cent would, I feel, be most unfair to the minority shareholders. In ordinary business practice somebody must of course control a company. But the amendment seems to place the small shareholders in an unfair position, by having the earnings on their equity lessened by the higher rate of taxation on other companies very indirectly associated.

I know of many small companies with widespread shareholders. This provision with respect to the 51 per cent would unquestionably subject those companies to a higher rate of taxation than they are paying at the present time. I appreciate that there has to be some limit, and I regard 70 per cent as not unreasonable. To bring it down to 51 per cent, which is a bare control, is unfair to the small shareholder.

One cannot conceive of a large corporation breaking up its operations into separate companies in order to take advantage of the lower tax rate, because the cost of operating several companies would more than offset the savings by reduced taxation on the first $25,000 of income of each company.

I repeat, honourable senators, I regret this proposed change to the Income Tax Act, because I feel it would put very many minority shareholders in small companies at a distinct disadvantage. Small companies need more encouragement, rather than the greater prejudice to their operations which this change would bring about.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Thorvaldson, bill referred to Standing Committee on Banking and Commerce.

CANADA'S CENTENNIAL

SUGGESTIONS FOR CELEBRATION—ORDER STANDS

On the order:

Resuming the postponed debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to Canada's Centennial Year 1967, and suggesting that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future.—(Honourable Senator Crerar, P.C.).

Hon. T. A. Crerar: Honourable senators, I ask that this order stand over until tomorrow. Our colleague from South Winnipeg (Hon. Mr. Thorvaldson) would like an opportunity to discuss item No. 6 on the Order Paper. So, with very great pleasure, I shall make way for him, and trust to the kindness of the honourable Leader of the Government (Hon. Mr. Aseltine) that item No. 5, standing in my name, on today's orders will be placed pretty near the top of the Orders of the Day for tomorrow.

Hon. Mr. Aseltine: Agreed.

The Hon. the Speaker: The order stands.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP—DEBATE CONTINUED

The Senate resumed from Wednesday, June 22, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal

over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. Gunnar S. Thorvaldson: Honourable senators, although the hour is getting fairly late, I would like to address a few remarks to this inquiry.

Firstly, I wish to join other honourable senators in acknowledging our debt to the honourable senator from Shelburne (Hon. Mr. Robertson) for introducing this subject for debate in the house. Any discussion in either of the houses of Parliament in regard to the subject-matter of foreign trade is of vital importance to our economic well-being. That truth is placed in proper perspective when we recognize that while the foreign trade—that is, commodities exported and imported—of our southern neighbour, the United States, represents only about 7 per cent of that country's total output or gross national product, our percentage of trade with other countries represents 31 per cent of our gross national product. So I repeat, honourable senators, that foreign trade is of tremendous importance to Canada.

Consequently, and also because of our geography and the very nature of our resources relative to our population, we simply must export to live. Indeed, any time our export trade falls off we in Canada feel the pinch immediately. But, while it is a commonplace to say that we must export to live, it is likewise just as true to say that if we now abandon the tariff network and the nature of the trading relationships that we have been in the course of developing for over 100 years—yes, since before Confederation—our economy will be affected adversely.

You may wonder why I made such an obviously true and simple statement. I do so merely to emphasize the reason for the also obviously true and simple statement, or inference, made in this house on June 8 last by the honourable senator from Waterloo (Hon. Mr. Euler) to the effect that Canada's trade and tariff policy is now, and has been for a long time, removed from party politics, or at least it is in all important essentials a bi-partisan policy.

I cannot see how any student of Canadian trade policy who wants to be objective, constructive and reasonable, can deny that while in office a difference, if any, between the parties on this subject-matter has been other than the difference between tweedledee and tweedledum. I will try to illustrate the truth of this important fact as I go along.

Traditionally we are a great exporter of raw or semi-finished material, but we are also a great manufacturing country, the large majority of whose factories were not built where they are just because of natural or low-cost advantages possessed by them; rather because from the very beginning of the development of this country it was rightly decided that if we did not have factories and industries in Canada we would merely be hewers of wood and drawers of water. In other words, the development of certain trading policies for Canada during the last 100 years has resulted in the prosperous and powerful nation that we are today.

The fact is that while we have succeeded in developing strong and competitive export industries, we have also developed a number of successful and efficient secondary industries. As I see it, therefore, if we can be said to have a national policy in regard to foreign trade, that policy is to maintain a reasonable balance between these two broad facets of our economy, namely, an equitable balance between our primary and our secondary industries. The former implies a low-tariff economy, and the latter means adequate tariffs on competing products from abroad.

This also must be said of our policy in these matters, that, whether right or wrong, the public of Canada has never allowed, and I am sure will not allow, any political party or any Government to depart very far from the moderate middle-of-the-road tariff policy which has been in the course of development for, as I have said, about 100 years.

One point I want to make as clear as I can is that we are not a high-tariff country such as is the United States. That country's policy, as I understand it, is and always has been one of high tariffs and exclusiveness. That means, generally, that in that country whenever any producer, either primary or secondary, is threatened with a competing product from outside its borders, such producer is *prima facie* deemed to be entitled to a first chance at the United States market for such commodity, and is protected in that market according to this philosophy. Indeed, I think that this is the primary reason for the continuous imbalance in our commodity trade with the United States with which we have been faced during the last decade or so, in particular, and, in fact, with which we have been faced during all our existence.

In Canada, on the other hand, we are plagued with a continuing "viewing with alarm" in regard to our foreign trade. Secondary industry lays a continuous claim to higher import duties or other restrictions, pleading that otherwise it cannot survive, and the exporter of primary products is in continuous opposition to such demands for additional protection for secondary industry claiming that thereby he would be harmed.

As I see it, because these two broad segments of our economy are approximately in equal balance politically, any Government of this country must of necessity tread a wary path between the points of view represented by them.

In the broad field of Canadian business and industry there exist three very powerful groups or organizations, each of which represents a point of view in regard to Canada's trading policies. These groups are, first, the Canadian Manufacturers' Association—I do not put these groups as first, second or third in order of importance—second, the Canadian Chamber of Commerce; and third, the Canadian Federation of Agriculture.

The Canadian Manufacturers' Association is interested in at least maintaining the moderate tariff structure that we have, and, indeed, generally presses for higher customs duties against imported manufactures. The Canadian Federation of Agriculture generally takes an opposite view to that of the Canadian Manufacturers' Association in tariff matters; and the Canadian Chamber of Commerce, representing as it does all segments of Canadian industry, trade and commerce, including, indeed, a good share of agricultural representation, adopts generally a middle course in these tariff matters. It preaches moderation in tariff matters, representing as it does both primary and secondary producers as well as other commercial and trading interests in this country.

These three national organizations are powerful influences in the creation of public opinion in Canada concerning our external trading relations, and that is one reason why I say that no Government, no matter of what political stripe, could make radical changes in our foreign trading pattern without a great deal of public discussion and debate and, perhaps, a violent upheaval of public opinion.

With this background of our foreign trade policies, as I see them, I want to take issue with this "viewing with alarm" which is indulged in by the honourable senator from Shelburne (Hon. Mr. Robertson), and to a lesser extent by the honourable senator from Ottawa (Hon. Mr. Lambert). On the other hand, I want to agree with both honourable senators completely when they suggest, first, that it is in our national interest to prevent a trade war from developing between the two sides of the Atlantic; and, second, that it is important for us to become associated—and I presume they mean more specifically to negotiate—with our European allies in matters of trade.

When referring to our European allies they mean, no doubt, the countries of the so-called Inner Six and Outer Seven, with particular emphasis on the United Kingdom as being the most important country in the latter group.

The honourable senator from Shelburne also suggested that we should first say to the United States: "We cannot continue to buy from you unless you give us, progressively, a better chance to sell to you not only primary products but secondary products also." In my opinion, in any approach to the United States along those lines we would be talking to a deaf ear, and the United States would look at us with a blind eye, and, indeed, a cold eye. We have made too many pilgrimages to Washington not to know that. Recent experiences with the United States regarding the export of such primary products as crude oil and copper and zinc should give us ample warning of the difficulties involved in selling to that country anything except the things it needs, and hence wants to buy from us.

At this point I might refer to the remarks made by the Prime Minister just a few days ago when he spoke to the Governors' Conference in Montana, when he again reminded the people of the United States of these unpleasant facts.

There was a time when the United States tariff lobby consisted exclusively of the manufacturing interests of that country. But today the tariff lobby in the United States consists of every sizable group of producers, primary as well as secondary, and from producers of oil to producers of hogs. True, the United States became a partner in GATT—the General Agreement on Tariffs and Trade—but it did so while trading from great strength, namely, from a high tariff position, while we entered GATT from a moderate tariff position. Consequently, even under GATT our friends the Americans have enormous trading advantages over us.

I come now to what I especially want to say in this debate, and that is that in my view the present Government is neither blind nor idle in regard to happenings in the field of world trade, but it does not believe that the solution to current trading problems is to enter into special trading blocs or alliances with special groups of countries.

Let me outline briefly current developments in respect of Canada's position in international trade. Firstly, in the last two years there has been gratifying progress toward elimination of discriminatory trade barriers erected against imports from dollar countries after the war by the inconvertibility of foreign currencies. Within the past 15 months sterling and other European currencies became convertible, resulting in Canadian exporters now finding readier access to world markets than at any time since the war. Figures that I will give in a moment will, I hope, verify this welcome fact.

Two international agencies have to a great extent been responsible for this favourable development, namely, GATT and the International Monetary Fund. The Canadian Government has taken a major part in the work of these two organizations in creating expansion of world trade on a fair and equitable basis. For example, the last meeting of GATT was held in Tokyo last November, and I believe it to be a fact that the Canadian delegation was particularly active in the general drive to abolish discriminatory trade restrictions throughout the world, to open up agricultural markets and to find a solution for problems created by sudden increases of low-priced imports from low-wage Asian sources. In respect to the International Monetary Fund you will recall that a year ago Canada made a very substantial contribution to the general increase of the resources of the fund so that the fund might better accomplish its objectives in the field of international trade.

I wish to re-emphasize that, in regard to both these agencies, Canada has in the past and is now taking an important part in developments which contribute to the removal of unreasonable trade barriers throughout the world and the consequent development of increasing multilateral trading.

On this point may I quote from a speech made by the Honourable Donald M. Fleming, Minister of Finance, to the British Columbia Chamber of Commerce and the Vancouver Board of Trade in Vancouver on May 16 last:

> The promotion and expansion of our export trade has been fostered consistently and vigorously by this Government ever since we took office. Through the Commonwealth Trade and Economic Conference . . .

That is the conference held in Montreal a couple of years ago.

> . . . through our frequent discussions with the United States Government, through our active participation in the General Agreement on Tariffs and Trade and through many other activities we have endeavoured to strengthen our trade links, widen our export opportunities, and protect the interests of Canadian producers and exporters.

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I wish now to refer for a moment to the emergence of the two trading associations in Europe, namely, the Inner Six and the Outer Seven.

Despite potential or possible danger which might be involved to Canadian trade with the countries within these groups resulting from the formation of these trading blocs, I think that we as Canadians should look upon these European developments as an important step in the removal of national trading barriers. I do think that is similar to the position taken by the honourable senator from Churchill (Hon. Mr. Crerar) in this house a few days ago. Nowhere in the world had economic nationalism reached such absurd proportions as among these neighbours on the continent of Europe, and I would think it seems only reasonable to us as Canadians to applaud the steps being taken by these European countries, which are definitely steps toward a freeing of international trade in their particular areas.

As far as Canada is concerned, nearly 30 per cent of our total exports go annually to Western Europe; $500 million-worth to the Inner Six and $900 million-worth to the Outer Seven, principally to the United Kingdom. It is understandable, therefore, that we should be concerned lest the regional trading arrangements these countries adopt should result in inward-looking and discriminatory practices. We must admit that it would be ironical, indeed, if the virtual elimination of currency discrimination against exports were to be followed by a new form of discrimination brought about for different reasons, but equally destructive of mutually profitable trading relations.

Consequently, as is well known to us all, steps have been taken by Canada to put forward the Canadian point of view to these European countries and to safeguard Canadian interests. I believe it to be the policy of our Government to attempt to get the European groups to extend to other countries, including Canada, on a most-favoured-nation basis, the internal tariff reductions provided for under the treaties which set up these regional trading groups. If these arrangements of the Inner Six which specially affects Canadian interests should be prejudiced by the groupings which I have referred to.

Honourable senators, I wonder if I might give just one example of the trading arrangements of the Inner Six which specially affects Canada? There are six countries involved: Germany, France, Italy, Belgium, The Netherlands, and Luxembourg. This example is in regard to wheat. Prior to the Treaty of Rome by which this group was organized these countries had various rates of tariff on

imports of wheat. The tariff of the Benelux countries was nil. The tariff of Germany was 20 per cent, and the tariff of France and of Italy was 30 per cent. The common tariff of the Inner Six in respect of wheat is now 20 per cent. So the result of the formation of this group in respect to our opportunities to sell wheat to them is as follows. The Benelux countries consist of approximately 15 million people. With respect to that 15-million market the tariff has been raised from nil to 20 per cent. In regard to Germany it remains as it was before. However, Italy and France, who have between them a population of approximately 95 million people, have now reduced their tariff against foreign wheat from 30 to 20 per cent. These facts therefore indicate a considerable advantage tariffwise to Canada in respect of the export of wheat to this area.

Hon. Mr. Reid: France is exporting wheat now.

Mr. Thorvaldson: Oh yes, France is a great exporter of wheat; but all these countries are very big importers of Canadian wheat not just because they want to buy wheat, but because we have hard wheat, and they have not got hard wheat. As my honourable friend from Waterloo (Hon. Mr. Euler) said yesterday, it would of course be very unfortunate for Canada if France should produce a great deal of hard wheat.

Hon. Mr. Euler: She is doing it now.

Hon. Mr. Thorvaldson: The reason we sell a large amount of wheat to other countries, as we do today, is that they need it for mixing purposes. The market for 1959 was very considerable. Anyway, there is an example of this grouping having resulted in what would apparently be an advantage to this country in respect to our exports of wheat. So much for that.

The Canadian Government's views and reactions toward the emerging trade blocs in Europe have been expressed by the Minister of Trade and Commerce, and I quote from a recent speech made by him to the French Chamber of Commerce in Canada in Montreal as follows:

> In respect of these developments to date, we are particularly concerned with what has taken place in Europe or what may develop in that area in the future. Over the past two years, I have spoken on this subject on many occasions both at home and abroad. Moreover, I have discussed it personally with most of the ministers of commerce of the Six and Seven. On these occasions I have expressed a degree of sympathy for the broad political and economic objectives of European integration. I have, however, made it abundantly clear at all times that these sentiments are conditioned by the understanding that the new trading blocs would prove trade creating and not trade diverting.

Also, in regard to these matters, the Minister of Finance on May 17 last, addressing the Winnipeg Chamber of Commerce, spoke in these terms:

> I have stated that Canada's international economic policy is founded on principles of multilateralism; that we seek to safeguard our own commercial interests in a manner consistent with these principles and our obligations to those international institutions designed to preserve them; and that we seek to expand our trade and economic interests in and through an expanding world economy. Accordingly, as developments in regional European trading arrangements have appeared to threaten these concepts, we have followed what has been familiarly characterized as "the problem of the Six and the Seven" with vigilant concern.

Then he continued to outline the steps being taken by the Canadian government pursuant to its vigilant concern regarding these European trading developments, including the meeting early in the year in Paris with members of the Six and the Seven, and at which the United States was represented.

I would also like to quote the following significant statement made in the speech of the honourable Minister of Finance at Vancouver recently:

> In addition to playing an active part in the current discussions of the trade problems emerging from the creation of the two European groups, we are participating with the European countries and the United States in studying how the Organization for European Economic Co-operation may be reconstituted and adapted to meet the present needs for economic co-operation and so as to enable Canada and the United States to participate as full members of the organization.

Honourable senators will recall that the O.E.E.C. was the organization formed pursuant to the creation of the Marshall Plan, for the purpose of organizing the objectives of the Marshall Plan, back in 1947.

Continuing from the quotation:

> We have declared ourselves ready to become members of such an Organization and we are doing our part to ensure that the Organization will contribute to rather than detract from the work of the existing international institutions governing trade and payments—the GATT and the International Monetary Fund. This should ensure that the world-wide trading system we have all established so patiently and so successfully is strengthened, not weakened, and that the interests of countries which are not participating in these discussions will be protected.

In any event, it must be remembered that the countries of Europe, prior to these groupings, did not purchase from us nearly $1½ billion-worth of produce annually just because they liked us. They bought from us because we were able to sell them the goods that they wanted and needed at competitive prices. That condition is, of course, basic to any trading between nations. But I, for one, am convinced that the European countries involved in these trading networks will still need and will still buy the goods that Canada

has for sale to them in such large quantities —at least as long as we remain reasonably competitive with other nations in our costs.

Let me say here that I agree with other senators who have stated so often and so truly that one of the great problems of this country is to remain competitive with other countries and not to let our costs of production run out of line with them.

Besides the steps that I have just referred to, Canada is also now participating with these European countries and the United States in studying how the Organization for European Economic Co-operation may be reconstituted and adapted to meet the present needs for economic co-operation so as to enable Canada and the United States to participate as full members of the Organization. This is what has been referred to as the Committee of Twenty. As I understand it, we have declared ourselves ready to become members of such an organization and we are doing our best to ensure that the Organization will contribute to, rather than detract from, the work of the existing international institutions concerned with trade and payments, namely, GATT and the International Monetary Fund. If successful, these steps should ensure that the world-wide and multilateral trading system that has been established throughout the last few decades is strengthened, not weakened, and, furthermore, that the interests of countries which are not participating in these discussions will also be protected.

To conclude, let me emphasize the point that I am making in regard to the two European trading blocs—the Inner Six and the Outer Seven. Nothing that they have done so far discriminates against Canadian trade or creates a barrier that did not previously exist.

Consequently, if present Government policies directed to the prevention of discriminatory practices by these countries or by these trading blocs should succeed—and I have high hopes they will succeed—then it is much too early for us to begin to negotiate for the formation of trading blocs comprising, say, ourselves and the United States, or even comprising all the countries to the west of the Atlantic Ocean, or any other grouping of nations whatsoever. Secondly, it is my firm view that Canada's true interest lies in the continued pursuit of the extension or multilateral trading throughout the world through the instrumentality of GATT. Also we should recognize and applaud the results achieved through the International Monetary Fund in the removal of world-wide currency restrictions which have till recently been so damaging to world trade.

For the reasons indicated by these remarks, I am now convinced also that attempts to implement the economic provisions of the NATO agreement, limited as they would have been to NATO countries only, would have been a mistake. Surely the organization that has been created under GATT will prove to be a more effective, more general and more purposeful instrument than any trading system that might have been developed within the narrower confines of NATO.

Finally, may I add that for those who may be viewing the immediate future of our foreign trade with alarm, recent trading figures do not bear out this contention. According to the Dominion Bureau of Statistics, in 1959 our international trade reached the highest figures on record, and the first four months of 1960, namely January to April, show an increase in commodity exports over figures for the same months of 1959 of 14.2 per cent, and in commodity imports of 4.1 per cent. As well as this large increase in total trade you will observe a considerable improvement in our former imbalance in our foreign commodity trade. Indeed, our adverse trade balance, compared to the same months of 1959 was reduced by one-half, and if the present trend continues for the remainder of 1960 our trade imbalance promises to be very greatly reduced.

Of additional interest also is the fact that in the period January to April 1960 sales of Canadian products to the countries of the Outer Seven bloc rose from $249 million in 1959 to $308 million for the same period in 1960, or by about 24 per cent, and Canadian exports to the countries of the Inner Six bloc increased from about $90 million in 1959 to some $102 million this year, a gain of about 14 per cent.

Honourable senators, despite all our worries about the cost-price squeeze, which I admit is real and not fictional, and our concern for the trading actions of other countries, our trading position today, as shown by the only barometer that we have, namely, the figures, is amazingly favourable.

It is in the nature of things that the future always seems misty and doubtful. But of this I am sure, that if Canadians continue to show imagination, vigour and initiative in their economic affairs similar to these qualities that they have shown in the past, a continuing improvement in both the volume and the pattern of our foreign trade may be looked for.

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

Hon. W. M. Aseltine: Honourable senators, I would like to ask for leave to revert to inquiries, owing to the fact that I now have

an answer to the inquiry by the honourable senator from Queens-Shelburne (Hon. Mr. Smith) regarding Defence Production contracts.

Hon. Senators: Agreed.

DEPARTMENT OF DEFENCE PRODUCTION

CONTRACTS AWARDED IN NOVA SCOTIA, 1956-59

Hon. Donald Smith inquired of the Government, pursuant to notice:

1. What was the value of Defence Production contracts awarded during each of the fiscal years 1956-1957, 1957-1958, 1958-1959 to persons and companies in Nova Scotia, in respect of
   (a) Aircraft (manufacture, maintenance and alterations);
   (b) Electronic equipment (manufacture, maintenance and alterations);
   (c) Ships (construction, maintenance and alterations);
   (d) Other construction, works and purchases?
2. What was the total value of the contracts awarded to each person or company in Nova Scotia for (a), (b) and (c) above for the fiscal years 1956-1957, 1957-1958, 1958-1959?

Hon. W. M. Aseltine: The answer to the honourable senator's inquiry is as follows:

1. In determining the net value of Defence Production contracts awarded in respect of each of the categories requested, the net value of contracts placed with all firms included in the industrial classification by the Dominion Bureau of Statistics was used. The "net value" includes the value of amendments which increased or decreased existing contracts as well as the value of new contracts issued. From 32 to 43 per cent of the annual value of contracts placed in Nova Scotia was placed through a district office in Halifax. It is not practical for the department to maintain precise statistics on the provincial distribution of its district office contracts because of the very large number of documents involved. However, as the vast majority of these contracts are received by local firms, the amount placed by the Halifax district office is a good measure of the value of such contracts placed in Nova Scotia. This value, combined with the value of head office contracts placed in Nova Scotia, has been used in arriving at the following figures.

	1956-57	1957-58	1958-59
(a)	$ 6,020,261	$ 3,737,401	$ 4,936,134
(b)	1,038,354	1,044,307	1,316,750
(c)	10,184,613	7,080,443	11,266,737
(d)	12,199,803	11,158,706	12,669,421

2.

	1956-57	1957-58	1958-59
(a) Enamel and Heating Products Limited, Amherst, N.S.	812,829	90,012	190,020 cr*
Fairey Aviation Company of Canada Limited, Dartmouth, N.S.	5,207,432	3,647,389	5,126,154
(b) E.M.I.-Cossor Electronics Limited, Halifax, N.S.	1,038,354	1,044,307	1,316,750
(c) Wm. Collings & Sons, Limited, Halifax, N.S.	21,234	32,295	54,297
Ferguson Industries Limited, Pictou, N.S.	1,200,938	1,287,484	413,088
Halifax Shipyards Limited, Halifax, N.S.	7,926,924	5,020,674	10,030,894
T. Hogan & Company Limited, Halifax, N.S.	171,607	126,665	115,693
Lunenburg Foundry & Engineering Limited, Lunenburg, N.S.	403,932	60,496	274,096
North Sydney Marine Railway Company Limited, North Sydney, N.S.	34,064	159,593	156,597
Purdy Brothers Limited, Halifax, N.S.	337,825	253,371	192,502
Sydney Engineering & Dry Dock Company Limited, Sydney, N.S.	88,089	139,865	29,570

*The value of new contracts and increasing amendments to contracts received by Enamel and Heating Products Limited in 1958-59 amounted to $104,980. This was more than offset by decreasing amendments totalling $295,000 against contracts received prior to 1958-59.

BANKING AND COMMERCE COMMITTEE

NOTICE OF MEETING

On the Motion to Adjourn:

Hon. Mr. Aseltine: I would remind honourable senators that the Standing Committee on Banking and Commerce will meet again tomorrow morning at 10 o'clock to consider the Income Tax Bill with income tax department officials. The committee may also deal with the War Veterans Allowance Bill which was referred to it this afternoon.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, June 30, 1960

The Senate met at 3 p.m., Hon. Lionel Choquette, Acting Speaker, in the Chair.

Prayers.

CRIMINAL CODE BILL

FIRST READING

Hon. W. M. Aseltine presented Bill S-36, to amend the Criminal Code.

He said: Honourable senators, this is another Government bill that I am introducing in the Senate. In case honourable senators wish to know something about the contents of the measure, I may say that it is a very short bill containing three sections. One would place the possession of a Hornet Survival Rifle on the same basis as the possession of a sawed-off shotgun or rifle. Another amendment would permit evidence at a preliminary hearing to be taken by a sound recording apparatus where such an apparatus is authorized by provincial legislation for use in civil cases.

Bill read first time.

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

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

Motion agreed to.

INCOME TAX BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (C-68) intituled: "An Act to amend the Income Tax Act", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Report adopted.

PUBLIC BILLS

SUSPENSION OF RULES

Hon. W. M. Aseltine moved:

That, for the balance of the present session, Rules 23, 24 and 63 be suspended in so far as they relate to public bills.

He said: Honourable senators, a motion in the same words was made by me on June 25 last year. It is a motion that is usually presented at this stage of every session.

Hon. W. Ross Macdonald: Honourable senators, I recall that a similar motion has been passed every year about two weeks before the close of the session. I hope we can take it from what the Leader of the Government (Hon. Mr. Aseltine) has said that he expects Parliament will prorogue in about two weeks.

Hon. Mr. Aseltine: That is my hope.

Hon. Mr. Macdonald: The rules to which the honourable leader referred specify the notice required for certain motions. Honourable senators will recall that under Rule 23 two days' notice must be given of a motion for any of a number of purposes, including the second reading of a bill. That is the most important provision of Rule 23. We have not been following it very carefully this session although we have required at least one day's notice. Only in unusual circumstances do we proceed with the second reading of a bill on the day that it is read the first time.

Hon. Mr. Aseltine: I think this is done only with supply bills. There has been two days' notice of the motion for second reading of all other bills, I believe.

Hon. Mr. Macdonald: My recollection is that that notice was not given in the case of one other bill.

I do not like to see the rule by-passed. As far as I am concerned, I am satisfied on receiving one day's notice of the second reading of a bill, and I do feel that in practically all circumstances, except when a supply bill is brought in, we should receive at least one day's notice.

Rule 24 requires one day's notice of a motion for the third reading of a bill, and that we have generally followed.

Rule 63 states that no bill shall be read twice the same day. There are other provisions in Rule 63 which I will not read.

I feel that these rules should be followed throughout the session and, although I am not objecting to this motion, I would point out that if we pass it we shall still have the power to decide whether we should proceed with the second reading of a bill the same day it is read the first time, and whether we should give a bill third reading the same day it receives second reading.

Hon. Mr. Farris: Is notice necessary before that can be done?

Hon. Mr. Macdonald: Notice will not be necessary if the motion now before this house carried. But, notwithstanding this motion, in any instance when we are asked to give third reading to a bill the same day it is read the second time, we could say we are not prepared to proceed with third reading that day. If a motion is made for third reading that day we could adjourn the debate until the next sitting.

My suggestion to the honourable leader is that he do not take advantage of this motion.

Hon. Mr. Aseltine: I do not think I ever have done so, and I do not intend to change.

Hon. Mr. Macdonald: I am glad to know that. I do not recall that my honourable friend ever has taken advantage of the motion and I should not think he would, but there is always that temptation.

Hon. John T. Haig: Honourable senators, I think I ought to join in this discussion. I occupied the position which my honourable friend opposite (Hon. Mr. Macdonald) now occupies, that of Leader of the Opposition in this house, longer, I think, than any other member of this house. I was Leader of the Opposition for nearly 12 years.

Hon. Mr. Macdonald: May I interrupt to say that I do not expect to equal my honourable friend's record.

Hon. Mr. Brunt: We would be glad if you surpassed it.

Hon. Mr. Haig: I am just going to tell you what happened in the 12 years I occupied that position. In each of those years the honourable Leader of the Government moved a similar motion to the one which has now been moved —as I search my memory I cannot remember one single session in which he did not do so— and, being anxious to go home at that stage of the session, like most senators were, I always said, "Amen". I never raised any objection, or point of order, or questioned whether we were within or without the rules. In the last two weeks of the session it made no difference to me, and I think the situation is the same today as it was then.

This has been a long session. We have had some disappointments: some of the bills which we sent to the other house were not handled very nicely over there. However, it is up to the house to decide what it will do. In the past we got along very well with respect to the business in the closing days of the session. I can speak only for the 12 years when I was Leader of the Opposition. During that period if the then Leader of the Government suggested that certain things should be done, I always agreed to them. It did not seem to me that I should raise any objection; I saw no purpose in doing so. After all, we are just a big family working together, trying to do the best we can for the dominion of Canada. I feel that this is one time we could show that we are not all politicians in this house.

Hon. Jean-François Pouliot: Honourable senators, there is only one occasion on which we are supposed to say "Amen", and that is when you, Mr. Speaker, have finished the prayers. I do not see why that word should be used in any debate. Are we not free in this house? Do we need any remonstrance from any of your colleagues about the time that is alloted to each senator in this house? It is up to each one of us to decide what he has to say and when he shall say it, and how long he shall take, provided he is within the standing orders and rules of the house.

I am not to be remonstrated with by anyone, except by you, Sir, for anything I have to say in this chamber. Why should anyone dare to make a remonstrance to any one of us? Can you imagine it! I would like the Canadian citizens to be here and listen to a speech such as the one I am answering now. They would be shocked. People from the University of Manitoba would be shocked more than anybody else, because they would be so disappointed, so sorry. They would say: "How is it that one of our brightest students, one who has cherished his *alma mater* to such an extent, should speak like that in the Senate? Is it owing to the teaching that was given to him in the great University of Manitoba? Can we approve of that? Is it not shocking?" I would then tell them it has occurred only once and that I hope he will not make the same speech again.

Hon. Arthur W. Roebuck: Honourable senators, I do not see any ground for excitement in regard to this motion. It is the usual one that is brought before the house at this stage of every session, although perhaps it is a little early on this occasion. But I would suggest to the Government that it is unnecessary. If the Government thinks the motion is necessary and desires to have it passed, then I am not going to object very strenuously. But is it necessary?

Rule 63 says that no bill shall be read twice the same day. That is the rule, and it is a good rule. It is a good rule whether we are at the beginning of a session or at the end of a session. We often set it aside, but we do so by unanimous consent. I fancy that the Leader of the Government (Hon. Mr. Aseltine) has never yet asked for the privilege of having a bill—other than a supply bill—read twice the same day, and I feel sure

there will be no change in that respect during the remainder of the session. Perhaps in the last week or so he may require a motion of this kind approved, but at the moment let us leave the rules as they are and not read bills twice the same day.

Hon. Mr. Aseltine: We will not do so unless it becomes necessary when we are very near the close of the session.

Hon. Mr. Roebuck: It is better to maintain our forms rather than to pass something that looks to be arbitrary, even though we know that it would not be used arbitrarily. My suggestion to the Government is that this motion be allowed to stand on the Order Paper until there is some evidence that it is required, and that until then we proceed under the rules in the usual manner.

Hon. J. W. deB. Farris: Honourable senators, I agree with everything said by my honourable friend from Winnipeg (Hon. Mr. Haig), but I do remind him of some speeches he made to the effect that this motion is a necessity. It is a necessity that arises from delay on the part of the Government in bringing in its bills. If Government bills were introduced earlier in the session there would not be this unseemly rush.

Hon. Mr. Aseltine: I do not agree with that. This has happened ever since I have been in the Senate.

Hon. Mr. Farris: I am referring to the delay on the part of all Governments, and nobody has protested more vociferously about that than my honourable friend from Winnipeg. I remember getting up at one time and suggesting to him that next session we should warn the Government we would block everything unless it got its bills in at an early date.

This is an evil that has existed, but which should not exist. Whether it is the Liberals or the Conservatives who form the Government, there is still this delay. That is the reason for this motion, and I think the motion will have to be made as long as there is the practice of delaying the bringing in of legislation until the last minute.

Hon. Mr. Roebuck: Honourable senators, if the motion is passed I will insist that an explanation be given us when it is actually enforced.

Motion agreed to.

DOCUMENTS TABLED

Leave having been given to revert to presentation of petitions:

Hon. W. M. Aseltine tabled:

Report for the fiscal year ended March 31, 1960, of the Army Benevolent Fund Board, pursuant to section 13 of the Army Benevolent Fund Act, Chapter 10, R.S. 1952, together with the report of the Auditor General relating thereto, as required by section 11(1) of the said act. (English text).

Report of the Canadian Maritime Commission for the fiscal year ended March 31, 1960, pursuant to section 13 of the Canadian Maritime Commission Act, Chapter 38, R.S. 1952. (English text).

ESTATE TAX BILL

THIRD READING

Hon. Arthur M. Pearson, for Hon. Gunnar S. Thorvaldson, moved the third reading of Bill C-65, to amend the Estate Tax Act.

Hon. David A. Croll: Honourable senators, before this bill is read the third time I wish to make one observation. I am not opposing the bill or objecting to its passing at this time, but I do want to mention that evidence was heard before the Standing Committee on Banking and Commerce with respect to this bill. It was very interesting evidence. But it has not yet been printed, so honourable senators who were not present in committee when it was given are as yet unable to benefit from it. I submit to the Leader of the Government (Hon. Mr. Aseltine), that when rather technical and difficult-to-understand bills such as the Estate Tax Bill and the Income Tax Bill have been dealt with in committee and the evidence has been reported verbatim we ought to have the evidence before us on the third reading, because that is our last opportunity to make any observations on the bill.

I do not suppose there is anything that can be done about this at the present session, but I do ask that that be kept in mind. If it is not, I shall have to make an objection at some future time.

Motion agreed to and bill read third time and passed.

EMERGENCY GOLD MINING ASSISTANCE BILL

THIRD READING

Hon. R. B. Horner moved the third reading of Bill C-64, to amend the Emergency Gold Mining Assistance Act.

Motion agreed to and bill read third time and passed.

INTERNATIONAL DEVELOPMENT ASSOCIATION BILL

THIRD READING

Hon. Fred M. Blois, for Hon. John G. Higgins, moved the third reading of Bill C-70, respecting the International Development Association.

Motion agreed to and bill read third time and passed.

CUSTOMS TARIFF BILL

THIRD READING

Hon. Arthur M. Pearson, for Hon. Lionel Choquette, moved the third reading of Bill C-74, to amend the Customs Tariff.

Motion agreed to and bill read third time and passed.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. Thomas Reid: Honourable senators, in rising to take part in this debate may I first of all commend the proposal contained in this resolution and congratulate the six or seven members who have already spoken in the debate, for to me at least it has been one of the most interesting that I have heard for some time.

I consider trade to be the very lifeblood of a nation and I realize that a Government can do only so much with tariff changes. I realize too that the cost of manufacturing goods, the cost of labour and the cost of selling goods can complicate and interfere with their ultimate sale. It is well known that the cost of producing our goods has increased greatly over the past 12 years. It seems strange to me that labour denies having been in any way responsible for this rise in the cost of production. At the same time the manufacturers, while not going to that length, generally try to dodge the blame by saying, "Costs have increased so much that we have had to increase the price of our goods."

We can speak about tariff agreements and such things, but to me one of the most important problems facing us as a trading nation is the price of Canadian goods now being sold on the market. I have one comment to make regarding the remarks addressed to this house yesterday by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson). I do not agree with what he said in the middle of his speech about higher tariffs imposed by the United States. I too have done some research on this matter, but I do not come to the same conclusions as he does. Speaking about the United States, he said:

That country's policy, as I understand it, is and always has been one of high tariffs and exclusiveness.

If you look over the present United States tariff and compare it with what it was five years ago you will find that the duties on many, many items are even below the duties on the same goods entering Canada. That fact is well worth mentioning. This is information I gathered in my research into tariff items in the United States as compared with tariff items in this country.

I trust that honourable senators from the eastern and central provinces will not take amiss something I would like to say as one who comes from the western province of British Columbia. Ever since I have been coming to Ottawa I have noticed that the people of Ontario and Quebec, and also those in the Maritimes, turn their faces solely toward Europe when considering trade. They seldom turn around and look to see the possibilities of trade in the Pacific area. If you carefully read the inquiry under discussion you will find that it pinpoints Britain and continental European countries, but says nothing about the Pacific area. China once had a great trade with Canada, and that trade could be redeveloped. I think it is mere foolishness for us to stand up and say that just because China has turned communist we should not trade with her, especially in view of the trade agreement with Russia that we passed in this house recently without any opposition. But I have a warning to give about trading with Russia. I am one of those who firmly believe that the Soviet will employ any useful device, including trade, to wreck the democracies. I would be wary of trading with Russia, for it is one country which could, if it desired, use trade to the detriment of another. How demoralizing it would be for us if Russia were to build up trade with us on one or two particular trade items and then suddenly say, "We are not going to take your products now." We have seen that sort of thing happen. Need I remind the honourable senators of the uranium problem that arose a while ago

just because the United States decided that two or three years from now it would stop taking our uranium? Honourable senators will recall the march made on Ottawa by people from the Elliot Lake district because of this, and that problem is still with us.

I also wish to point out to honourable senators that British Columbia sells 70 per cent of her products abroad. The other 30 per cent is used in the province and the rest of Canada. When I was a member of the House of Commons I pointed out that British Columbia was one of the best markets Ontario had. At that time we were buying about $68 million-worth of goods produced in Ontario, and it in turn was buying only some $7½ million from us in British Columbia. We did not complain about it, for we needed those goods from Ontario. However, I want to point that out to the people of the central provinces so that they will know that this country is to some extent quite divided in its thoughts and aspirations regarding trade.

In regard to the trade treaty with Russia, I sincerely trust we will not start to take her oil. I listened, as all honourable senators did, to the honourable senator from Medicine Hat (Hon. Mr. Gershaw) when he referred to Canada's great heritage of oil. We also have heard or read what has been said in the other place by the Minister of Northern Affairs and National Resources when extolling the great north and trying to make people believe that the great north country is a new heaven and a new earth. I would like to ask him, or any honourable senator, what it will mean to us if we spend millions in developing roads and resources up there and then cap the oil wells and import oil from Russia.

Hon. Mr. Brunt: Are we going to import oil from Russia? I have not seen that day yet.

Hon. Mr. Reid: It was stated three weeks ago that under the agreement she would take wheat from us in return for oil. It is true that this information has not so far been given out officially, but that is what I obtained from a report in the press. Probably a decision on the matter has not yet been made, but the report did mention oil. Why can we not bring our oil by pipe line from Alberta to Montreal, instead of spending $78 million to bring it in from another country? We are doing just that, and that country, Venezuela, put up a tariff against our agricultural goods. After all, practically all the oil is controlled by the United States. The evidence is all around us. In my opinion, manufacturers are very much to blame, too, but of course they do not accept the blame.

I recall that some years ago the public was complaining that every year the automobile was being made bigger and bigger, and the reply by the automobile companies was, "That is what the public want." And who, may I ask, started the trend to the smaller car? To my mind, it was the manufacturers in this country. They went to Ireland and Britain, and to other European countries, put up plants and built cars. It was United States capital entirely that built these cars overseas. The people of Britain and Europe were more sensible than we were, and the remarkable thing about it was that they were only building one or two styles of cars then. Here, however, the companies were turning out as many as 20 or 30 different styles from the one factory. Then they asked "Why can't we compete with other countries?" So the flood of smaller cars started to come from Britain and Europe. A large percentage of cars comes from American firms which also control the Canadian manufacture of cars. They were the ones who started the small-car trade and now they are squealing to high heaven for a tariff against these cars from overseas. In other words, they are saying: "This competition is killing us and shutting off our market. Keep out these foreign cars and we can live and prosper." Surely some responsibility must be accepted by the heads of these corporations. I realize, as I am sure other honourable members do, that there are only certain things a government can do. After all, surely industry has some concern for the welfare of the public. It can win out if they will only act wisely.

When I began searching for information in preparing for this speech, I did not realize how many agreements there are now in force regarding trade. Nearly every country has entered into trading agreements. I found that most of these agreements are identified by letters of the alphabet, and it is difficult indeed for the average layman to know from the initials just what an agreement is about.

For the benefit of those interested, I thought I would place on the record some information giving the definitions of these various trade bodies. First of all, GATT. I understand there are 39 countries in GATT, and I was interested to learn that when we make an agreement with another member country to reduce tariffs, all the countries under GATT have to do the same. Surely it is some protection for us to know that under GATT, for instance, if we go to the United States, or it comes to us, and we agree to reduce a tariff, all the other GATT countries also get the benefit. Likewise, countries in Europe under GATT may ask for the same concession. E.C.M. means the European Common Market and represents what is termed the Inner Six. E.F.T.A. represents the European Free Trade Association, or the Outer Seven. E.C.S.C., European Coal and Steel Community. E.E.C.,

European Economic Community. O.E.E.C., Organization for European Economic Co-operation, one of the earliest organizations set up in Europe.

Even the Latin countries have now formed a free trade organization among themselves, called E.C.L.A., or Economic Commission for Latin America, representing five countries, namely, Costa Rica, El Salvador, Guatemala, Honduras and Nicaragua. Last year those countries imported goods to the value of $5,400 million. That is quite a trade. We are not doing much, if anything, to get in on that trade, and I think it is time for us to examine the situation.

I have already mentioned China which, with a population of 650 million, used to do considerable business with Canada. In days gone by it amounted to $75 million annually. Now that business is practically nil. As to trade with Japan, I noticed that some manufacturers in Ontario squealed to high heaven about Japanese goods coming into Canada and undermining our trade. Protection was given to manufacturers in Ontario, by the Government, and to some extent that deprived us in British Columbia of the opportunity to obtain really first-class goods at lower prices than were charged for similar goods from Ontario. So we are penalized in British Columbia to that extent. It seems to me that the tariff policy rotates principally around the two provinces and that the other provinces have to go out and fight on their own. British Columbia has done that, and I say so without fear of successful contradiction. That province's industry grew up in spite of all that, and she is taking a prominent part in the trading markets of the world and not asking the Government to shut out the trade of other countries, as some manufacturers in Quebec and Ontario do.

Hon. Mr. Brunt: I wonder if the honourable senator would feel the same about imports of lumber.

Hon. Mr. Reid: There has been some lumber or plywood coming in from Japan. I do not know what we would do if it were allowed a freer entry. Plywood is coming in from Japan now. We trade freely with that country. Japan is now taking our iron ore. The big steel combines would not put up a steel works in British Columbia, so we were denied that iron ore market by the cartel of steel manufacturers in the east. I can prove that, because I had something to do with this matter in the early days of my life as a member of the other house.

I think it will be to the advantage of all honourable senators if I put on record a statement showing what our total trade is and what the important goods are that we sell abroad. I will not go into too much detail.

Our total trade deficit last year was $589 million. That is, we imported $5.5 billion and our exports were about $5 billion.

The three leading exports of Canada go to the United States. That country took from us last year goods worth $3,108 million. The United Kingdom, our next best customer, took $788,618,000. Our third most important customer was little Japan, with a hundred million people and supposed to have a poor standard of living in comparison with ours. She bought from us goods valued at $140 million and our purchases from her amounted to $130 million.

On our trade with the United States last year we had a deficit of over $500 million.

Hon. Mr. Euler: How much did we buy from the United States?

Hon. Mr. Reid: We bought goods worth $3,829 million.

It is interesting to note that the trading countries total 128. I did not realize there were as many trading countries as that in the world. Of that number, 34 are commonwealth countries and 94 are foreign countries.

What are the important exports on which we depend to keep the prosperity of the Canadian people up to the present standard?

The principal exports are: wheat and flour, $465 million; wood and paper products, $1,516 million; uranium, $312 million—mostly all to the United States. May I say here that it will be a big loss to Canada, of course, if and when the United States cuts off its purchase of uranium from us. The other principal exports are: fish and fishery products, $155 million, $103 million of which was sold to the United States; iron ore, $158 million, most of which was shipped to the United States, and petroleum, $75 million.

In the meantime millions have been and are being spent in the great northland, and we are finding new sources of oil all the time, but as soon as we find them we cap the wells. They may come into production in some future generations if supplies in other countries run low. But we should not boast too much about it. The point is that we are not using that oil and will not use it when a market like Montreal is using some $75 million-worth of oil a year from Venezuela.

And here is a strange item. This was news to me, and must say I hope we do not increase our production of this product. Canada sold $78 million of whisky to foreign countries. I was amazed when I read that and in order to be sure I looked at it twice.

Hon. Mr. Brunt: It is probably double that figure. It is far better selling it abroad than here.

Hon. Mr. Reid: It nearly all went to the United States market. Some of it went to 90 other countries, but not much. What we sold to the United States amounted to $72 million, leaving $6 million to be divided among 90 countries—just a little drop to each.

Hon. Mr. Brunt: I assume it was rye whisky that was exported.

Hon. Mr. Macdonald: Did any of it go to Scotland?

Hon. Mr. Reid: I doubt it.

Hon. Mr. McKeen: Don't they want good whisky there?

Hon. Mr. Reid: They might accept rye whisky, but you could not sell the Scots foreign whisky, at least I don't think so.

Hon. Mr. Macdonald: You did not mention any manufactured goods.

Hon. Mr. Reid: I thought that the figures I gave were enough for this debate.

Hon. Mr. Brunt: Whisky is a manufactured product.

Hon. Mr. Reid: The goods that I listed are practically all raw materials: wheat and flour, wood and paper, aluminum, iron ore, petroleum, fish and fishery products. I do not know in what classification you would put whisky.

As I mentioned a few minutes ago, the sponsor of this inquiry (Hon. Mr. Robertson) seemed to direct it to the benefit Canada would derive if she joined the Inner Six and the Outer Seven countries. So I made a little analysis of the Six and Seven countries to find out what our trading situation would be, and I found it very interesting.

First of all, the Inner Six have a population of 170 million people; the Outer Seven have a population of 88.5 million. That makes a total of 258 million people in 13 countries. One of the 13 countries is Great Britain, for she is a member of the Outer Seven. Great Britain has a population of 58 million. Now, let us compare the total trade figures. Great Britain's total trade with Canada was $1,385 million, and our total trade with the other 12 countries—those of the Inner Six and Outer Seven minus Great Britain—was $767 million.

Hon. Mr. Euler: Do those figures include both exports and imports?

Hon. Mr. Reid: Yes; I am referring to the total trade. Canada sold to the United Kingdom roughly $788 million-worth of goods and bought back $596 million-worth, leaving a balance in our favour of $192 million.

As I looked over these figures I thought we should perhaps strive to get closer to Great Britain if possible, rather than concentrating on the Inner Six and Outer Seven, because until the two groups join no one can tell whether it would be to Canada's advantage to join them or not.

There is a little difference between the set-ups or agreements of the Inner Six and the Outer Seven. The countries in the Outer Seven have an agreement with themselves, and they are looking toward all-out free trade among the seven countries over a period of years. There is in their set-up one redeeming feature, namely, that one country can make a deal with another in the group of Seven to reduce tariffs, irrespective of the other six countries. Individual agreements can be made.

Hon. Mr. McKeen: You mean, with the other five.

Hon. Mr. Reid: No. I am speaking of the Outer Seven.

Hon. Mr. McKeen: If two out of the seven make an agreement, that leaves five.

Hon. Mr. Reid: I am speaking of the seven countries in the E.F.T.A.

Hon. Mr. McKeen: You said, among the seven.

Hon. Mr. Reid: Among the E.F.T.A. group of seven each country may make a separate deal without having to consult the others.

Hon. Mr. McKeen: A separate deal with Canada?

Hon. Mr. Reid: No; Canada is not yet one of the seven. I am speaking of the seven now under agreement, and if Canada joined them she would then have the advantage of which I speak.

With the Inner Six, if a tariff is changed with one country it applies to all the countries. That is the bone of contention between the two groups. Great Britain is in the Outer Seven, where she can make any tariff agreements she likes with another country without drawing the others in to do likewise. The Inner Six group stands out because of the distinction I mentioned.

I place these facts before the house so that honourable senators who are interested may have them when they are dealing with this subject. I have little more to say, honourable senators. I did want to take part in the debate and so draw my views on the matter to the attention of the Senate and to the powers that be.

Hon. Mr. Euler: May I ask a question? We know the advantages accruing to the Inner Six. What advantages do the group of Seven have by being together?

Hon. Mr. Reid: The group of Seven have agreed among themselves that, over a course

of ten years or so, they will have complete free trade among themselves in respect of certain goods. In other words, there would be no more tariffs. That may be one point that is dangerous to Canada, for if Great Britain, a member of the Seven, makes an agreement with these countries to accept their goods into Great Britain free, that will be to the disadvantage of Canada. For instance, it is possible that Great Britain could buy her lumber elsewhere.

Hon. Mr. Euler: It is being done now.

Hon. Mr. Reid: That would be injurious to this country.

Honourable senators, I thought it wise to point out to this house, and possibly to the Government, that while there seemed to be a good deal of merit in the argument presented by the honourable senator from Shelburne (Hon. Mr. Robertson), no one can emphatically say that Canada's joining the Inner Six or Outer Seven would be of great advantage to us. I repeat my opinion that if we cannot get more trade with Great Britain and with certain other countries, I would like to see our manufacturers and our Government look more to the great populations of China, Japan and the South American continent. That continent is a land that could flow with milk and honey, a land that is slowly coming forward. Its people are earning a little more now, and as they begin to prosper they will in turn be able to buy our goods.

I should like to make one comment with respect to Venezuela. That country has shut out Canada's produce while we are taking some $78 million-worth of Venezuelan oil and landing it in Montreal. We should be developing a pipe line of our own into Montreal.

Hon. Mr. Brunt: From Edmonton to Montreal.

Hon. Mr. Reid: But evidently the Americans who control that situation cannot or do not want to see eye to eye with what I have suggested.

On motion of Hon. Mrs. Fergusson, debate adjourned.

CANADIAN NATIONAL TORONTO TERMINALS BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Brunt for the second reading of Bill C-72, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto.

Hon. T. D'Arcy Leonard: Honourable senators, this bill was explained on second reading yesterday by the honourable senator from Hanover (Hon. Mr. Brunt) in his usual competent way, and then some questions as to the objections to the proposed railway freight yard and access lines were asked by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable Leader of the Opposition (Hon. Mr. Macdonald).

I can well understand the objections that have been raised. I am reasonably familiar with the area in which this freight yard will be built and through which the access lines will pass, for I spend some time nearly every weekend in the eastern part of the area and see markers indicating where the eastern access lines will pass. It is very pleasant countryside, made up of farms and suburban properties. In some places it is very beautiful. Undoubtedly, that countryside will be less pleasant and less enjoyable when this freight line has been built and when the freight yards to which the line will lead are built. It is no wonder that objections have been raised by people whose properties are either going to be taken from them or are going to be damaged, and also by those people who will suffer from damage to what we might call the amenities of life when this line goes through.

Those who suffer damage will no doubt be compensated in dollars, but nevertheless the area itself will not be as pleasant an area as it is at the present time.

However, I think the question before us in this house is twofold. The first part of the question is whether the project itself is needed, is desirable and will be an economic operation. If the answer to that is in the affirmative, then the second part of the question is whether this is the best location so as to minimize the damage to the persons affected by it, and to prevent, as far as possible, impairment of the beauty of the countryside.

I have done what the honourable senator from Hanover suggested: I have read the proceedings before the Standing Committee of the House of Commons on Railways, Canals and Telegraph Lines. That committee had before it as witnesses the executive officers of the Canadian National Railway Company, and I must say that on both the points I have mentioned, which I think are relevant, the evidence of these officials is very strong and very convincing. No doubt we shall have an opportunity of hearing them ourselves, and if there are any questions still in our minds we should endeavour to resolve them at that time.

Before the committee of the other place there were, apparently, no witnesses representing those who might be objecting to the line. There were as members of the committee members of the House of Commons representing constituencies through which the line will pass, and the officials of the railways were subjected to some very searching and pertinent questions, particularly by one member whose constituency is affected.

Judging from the objections it would appear that those making them were mostly concerned with the question of location. They agreed, with respect to the main purpose of the yard and the line, on its desirability, but they felt the line should go elsewhere and that the yard should be located in some other place. That, of course, is natural, but if the line passed through some other area another group of objectors would feel aggrieved in the same way.

It does appear that over the period of a year since the announcement of this project was first made, and during which a great many objections were raised, officials of the railway have sat in with the groups who were objecting, in an endeavour to meet their objections. They have moved the yard itself to some extent, and they have made other changes. Even if they have not satisfied the objectors it would appear at the moment, at any rate, as if the objectors are reconciled to the project. The railway officials indicate that it has the approval of Metropolitan Planning Commission and that no strong objections have been heard since January of this year.

Those who are familiar with Toronto—and no doubt most honourable senators are —know about the maze of railway tracks which exists in the southern part of the city by the lakeshore, and particularly around Bathurst Street. The information given by the officials of the railway is that more than 500 trains and engines cross Bathurst Street in 24 hours. There is a congestion of traffic there which means great delays in the movement of freight and expensive handling, and it is a situation which will have to be cleaned up in some way or another. Having canvassed the possibility of extending the existing lines and yards in the south part of the city by the lakeshore, where the traffic now pours in from both the east and west and also from the north, the conclusion reached by the officials of the railway is that it is no more expensive to build a completely new and modern yard on the outskirts of metropolitan Toronto. Such a yard will render more efficient service, will last for a much longer period of time, and will take better care of the expansion of the city of Toronto as it grows north, east and west, than would any alteration of the existing yards. That is the reason for the movement of this freight handling facility from the present location to a location north of Toronto.

The yard itself and the manner of handling it are very modern. Apparently the railway has taken advantage of the latest technological knowledge on the subject and of automation, and it is rather fascinating to read a description of how this hump, as it is called, is used, taking advantage of the force of gravity, in the marshalling of these freight trains. The operators of the yard have closed television circuits so that the movement of trains in various parts of the yard can be seen. Messages are sent by pneumatic tubes from one part of the yard to another. Punched cards are dropped into electronic machines, and a miracle-mind goes to work to direct the movement of the cars, the switching of the cars, the speed of the cars and the putting together of freight trains.

As I say, it is very fascinating to read about it, and it occurred to me while I was doing so that if the model railway builders get around to making a toy model of this freight yard it will be a great boon to all of us who are grandfathers because we will then have something to give our grandchildren and to play with ourselves. However, this particular original will cost a great deal more than most grandfathers can afford to pay. As the honourable senator from Hanover has said, the cost will run to about $87 million.

We are concerned that a Government railroad, in spending $87 million, should spend it wisely and efficiently. Here again the evidence of the railway officials is that the savings expected to be effected by this capital expenditure will be of an order sufficient to take care of depreciation on the capital investment, which means in effect a return of the capital investment plus 6 per cent interest on it, and over and above those two items there will be effected a saving of at least $2 million per year. Undoubtedly if those hopes are realized it is a very proper and excellent thing for the railway to be doing, and we should approve of this bringing up to date and modernizing the operations of the railway and introducing economies in the process. But as this is a case where we see an operation in which automation is coming into existence, we in this house are concerned with its effect on employment and manpower. That is the subject of an inquiry we are making and it is rather interesting to pass some observations on that aspect as it applies to this bill.

While the operation is in the course of construction there will be an increase in employment. The construction itself will effect

that, and it is anticipated that something like $21 million in wages will be paid out in connection with actual construction of the yard and the lines. When it is in operation, however, there will be a saving in labour; that is to say, it will take less labour per hour per unit of operation. On the other hand, there will be more productivity of labour as a result of the use of these machines, but the expectation of the officers of the railway is that this will not involve any laying off of men. In other words, during the years of construction, and having in mind the ultimate operation itself, there will be no laying off of personnel even though the operation itself when in effect will be requiring less labour per unit of operation.

I think that pretty well sums up the purpose of the bill. It seems to me it is something that we can well support, certainly in principle on second reading, and look forward to hearing the evidence given by officials as to the further details we will undoubtedly want to ask about.

It is an example of the Government-owned railway under the management of Donald Gordon and his associates doing what I think we all want it to do, keeping expanding on an efficient basis, using modern knowledge and techniques and every opportunity of making economies and savings. We should encourage that objective.

Hon. Mr. Euler: Honourable senators, I rise only to ask a question for my own information on something that perhaps I should know. I take it that as a result of this legislation the freight traffic will be removed from the lakefront so far as the Canadian National Railways is concerned.

Hon. Mr. Brunt: No.

Hon. Mr. Leonard: I understand it will not remove all the traffic, but its main purpose is that most of the traffic coming into Toronto will be directed in the first instance into the freight marshalling yard.

Hon. Mr. Euler: It occurs to me that this would be a great relief to the motor vehicle traffic entering Toronto from both ends of the metropolitan area. Is it a fact, however, that the Canadian Pacific Railway Company will still handle its freight business on the lakefront? Could my friend give the house any information in regard to that?

Hon. Mr. Leonard: My understanding is that the Canadian Pacific Railway Company is not now using the lakefront for its main freight traffic. It runs north into West Toronto. I think that company is also building a freight yard at Agincourt. The project outlined in this bill will relieve the passenger train service to some extent in the southern part of the city.

Motion agreed to and bill read third time.

REFERRED TO COMMITTEE

Hon. William R. Brunt: Honourable senators, I move that the bill be referred to the Standing Committee on Transport and Communications.

Before the motion is passed I would like to say that the Canadian Pacific Railway Company, our other great railway system in Canada, is thinking along exactly the same lines as the Canadian National Railways. As the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) has stated, that company is building, north of Toronto at Agincourt, a yard very similar to the one provided for in this bill. The Canadian Pacific Railway Company is a bit more fortunate than the Canadian National Railways in that it will be able to use certain of its present railway lines as access lines and so will not have to spend the huge sums that the C.N.R. will be spending on access lines. When both yards are completed they will reduce very considerably, though not entirely eliminate, the freight business on the Toronto lakefront. There is no doubt that there will be a tremendous improvement in the lakefront area after both these hump yards are fully completed and in operation.

Hon. Mr. Euler: The western part of Toronto has been mentioned. At what point do the railways divert the traffic to the north?

Hon. Mr. Brunt: At the present time there is a bridge at the foot of Bathurst Street and at that point the lines divert to the north and into the Niagara Peninsula. That is the diversion point.

Motion agreed to.

CANADA'S CENTENNIAL

SUGGESTIONS FOR CELEBRATION—ORDER STANDS

On the Order:

Resuming the postponed debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to Canada's Centennial Year 1967, and suggesting that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future.—(Honourable Senator Crerar, P.C.).

Hon. T. A. Crerar: Honourable senators, it is late in the afternoon and I really feel ashamed to ask for further indulgence of the house, but I observe that the honourable Leader of the Government (Hon. Mr. Aseltine) and his honourable deskmate (Hon. Mr. Brunt) are showing some signs of weariness and, in looking around the house, I fancy there are others in the same condition. So I shall ask that this item be placed on the Orders of the Day for Wednesday next, following the preliminaries that will occupy our attention when the sitting begins. I would be prepared to speak on Tuesday evening, but I am looking forward with some anticipation to a discussion at that time on a subject very remote from many honourable senators' consideration but one in which our honourable colleague from Waterloo (Hon. Mr. Euler) is greatly interested, margarine. If the house will agree to my request I shall feel eternally in its debt.

Hon. Senators: Agreed.

The Hon. the Acting Speaker: The order stands.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. Mr. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, the 5th day of July, 1960, at 8 o'clock in the evening.

Motion agreed to.

The Senate adjourned until Tuesday, July 5, at 8 p.m.

THE SENATE

Tuesday, July 5, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Report of the Canadian Commercial Corporation for the fiscal year ended March 31, 1960, as required by section 13(1) of the Canadian Commercial Corporation Act, 1946. (English and French texts).

Report of the Fisheries Prices Support Board for the fiscal year ended March 31, 1960, pursuant to section 7 of the Fisheries Prices Support Act, Chapter 120, R.S. 1952. (English text).

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP—DEBATE CONTINUED

The Senate resumed from Thursday, June 30, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. Muriel McQ. Fergusson: Honourable senators, in rising to support the honourable senator from Shelburne (Hon. Mr. Robertson) in debating this subject which he brought before the Senate, may I say that it seems abundantly clear, from the comments that have been made in this debate by the very large number of honourable senators who have taken part, that while there is quite naturally some divergence of views on the question, the matter of Canada's trade relations with other countries is unquestionably recognized as one of the most important problems facing our nation today. I have listened to all the speeches in the debate, and although they are too numerous for me to comment on them individually, I would like to compliment the honourable senator from Shelburne for bringing this before the Senate, and all other honourable senators who have taken part in this interesting and thought-provoking and, I think, very timely discussion.

There was a time, and not so long ago, when in a debate on a subject such as this no woman's voice, nor woman's views, would be heard. It was universally considered that problems of this kind were of no interest to women and that their solution should be left to their fathers, brothers and husbands who had superior knowledge of such subjects. However, the superior male knowledge has not yet been able to solve satisfactorily many of our national problems, and women now feel that they should make their contribution toward finding the answers. Because they realize that the decisions of the Government regarding problems of trade affect their homes, the prices they pay for food and clothing—it is acknowledged that they do most of the buying—and the opportunities of employment for their husbands and for their adult children, women are taking an especially keen interest in our government policies regarding trade, both internal and external.

We all know that Canada, as one of the great trading nations of the world, is highly vulnerable to changes in the volume of world trade and to changes in international trading conditions—much more so than is the United States. While our secondary industries have shown a notable and a very gratifying expansion through the past ten years, it nevertheless remains a fact that, for the foreseeable future, a continued expansion of the Canadian economy will depend heavily upon our achieving an ever-increasing volume of exports, which will probably be in the form of the basic products of our forests, our farms, our mines and our fishing industries.

While we must continue to place our main reliance upon the export of raw materials and semi-processed goods, there seem to be sound grounds for the belief that, if given a satisfactory environment, our secondary manufacturing industries could become increasingly important in our export trade. Certainly the progress made in recent years in a number of our secondary manufacturing industries suggests that if given an appropriate opportunity and broadened markets, Canadian management and Canadian workmanship could compete satisfactorily and successfully in world markets.

If we think in terms of the future, and take for granted that we are spared the catastrophe

of a third World War, there seem to be very strong grounds for the belief that there will be a very great increase in world trade over the next ten to twenty years. World political problems and world tensions tend to complicate the outlook, and world political decisions will undoubtedly result in entirely new trading arrangements. However, honourable senators, it is certain that the scientific achievements which have taken place in recent years and those in prospect for the future, coupled with increasing productivity in the industrial nations and the prospect of vast new markets in Asia and Africa, which were mentioned by the honourable senator from New Westminster (Hon. Mr. Reid) on Thursday last, suggest a rapid rise in the standard of living throughout the whole world and a very substantial increase in trading between nations in which we Canadians should have an opportunity to participate.

However, in the process of this evolution it is imperative that important changes in trading conditions and trading arrangements will have to be expected. With nations as with individuals, opportunity knocks but once. Hence, in the circumstances it would seem vital to Canada's progress that we make every effort now to seize our opportunities and consolidate our position in world trade on a realistic basis.

The post-war resurgence of Western Europe in recent years has been, as we all know, the dominant feature of world economy. Not only has trade among these Western nations themselves increased, but they have gained a significantly large part of world exports from the other non-communistic countries. This has naturally had its impact upon Canada, and the movements toward closer economic integration in the form of the Inner Six and the Outer Seven could have implications which Canadians cannot afford to ignore.

The European Economic Community, or Common Market, which is generally referred to as E.E.C., or the Inner Six, includes, as honourable senators know, the six countries of France, West Germany, Italy, Belgium, Luxembourg and the Netherlands. These countries form a compact geographical and industrial group in Europe, a market of 165 million people. E.E.C. came into existence by the Treaty of Rome on January 1, 1958. In this treaty the six countries agreed to eliminate tariffs and quotas, and to permit the movement of industrial products within the area. The reduction of trade barriers is scheduled to occur through a series of steps at the start of each year, and the task is to be completed within a 12- to 15-year transitional period.

Over the period in which the internal trade barriers are to be eliminated, the tariffs of the member countries against third countries are to be made uniform. Thus, at the end of the transitional period the E.E.C. will be a complete customs union with a common tariff to all outside countries and with no internal tariffs. For the most part, the common external tariff on non-agricultural products is to be the average of the present national rates; however, for certain commodities, rates have to be negotiated. This treaty also makes special provision for the problem of agriculture, and each country may continue to aid its own agricultural producers through subsidies and quotas until a co-ordinated policy for the whole common market can be developed.

Because of my special interest in social welfare, other policies outlined by the Treaty of Rome for the members of E.E.C. which I find interesting are those that refer to regulations covering labour and welfare. In order to place the industries in the six countries on an equal competitive footing, regulations regarding hours of work, pensions, social security and welfare payments in all six countries are to be harmonized.

Honourable senators, with the formation of E.E.C. the other members of the Organization for European Economic Co-operation which, as you have been told by other honourable senators, was set up in 1948 and is generally called O.E.E.C., and which is made up of the United Kingdom, Norway, Sweden, Denmark, Austria, Switzerland, Portugal, Iceland, Ireland, Greece, Turkey and Spain, with Yugoslavia associated with them, sought to find means of participating in the trade advantages of the common market without committing themselves to the degree of political and economic integrations envisioned by the Six. However, they made very little progress in this direction, and in November 1959 the European Free Trade Area Treaty, which is also known as E.F.T.A., was signed at Stockholm, setting up what is known as the Outer Seven, comprised of the United Kingdom, Norway, Sweden, Denmark, Austria, Switzerland and Portugal. The European Free Trade Area is concerned primarily with freeing trade in industrial goods only. Internal tariffs are to be gradually eliminated in the schedule which it is hoped will be synchronized with that of the common market.

While the advantages of closer political and economic co-operation in Europe are many, not the least being the possible and, we hope, probable, elimination of old rivalries, the development which is taking place seems clearly to have implications in respect to Canada's overseas markets.

I listened with a great deal of interest on Wednesday last to the honourable senator

from Winnipeg South (Hon. Mr. Thorvaldson), and although I appreciate his valuable contribution to the debate and congratulate him on his splendid speech, I am afraid that in this fast-changing world I cannot view the future of Canada's international trading position with the complacency that seems to be implied in his remarks. It seems reasonably obvious, as I have pointed out, that new international trading arrangements which could vastly influence our foreign trade are in the course of development, and I find it difficult to subscribe to the view that it is much too early for us to begin to consolidate our position. Surely, honourable senators, this is the time to negotiate. Is it not quite possible that later, in attempting to negotiate with the Inner Six or the Outer Seven, we shall be confronted with still more difficult circumstances when their trading practices have been definitely set and established interests have been consolidated? It will be much harder for us to make an entry then.

Working within the framework of international organizations is certainly one approach, but if we do not assert ourselves, if we do not show initiative in the matter of trading arrangements, it seems to me we may find ourselves in the not too distant future in circumstances where it will be much more difficult for us to negotiate. In so far as the United States is concerned, I think that history will bear me out that the United States has not always been unapproachable, and on the present world scene I do not think we should write off the possibility of closer co-operation with it in the future.

The honourable senator from Winnipeg South stated the situation in respect to the importation of wheat into the Inner Six group and suggested that the Canadian situation had not been injured. Let us hope this proves to be the case, but the situation is that whereas we formerly had free entry of our wheat into the Benelux countries, which form three of the Inner Six, we are now confronted with a 20 per cent tariff on wheat imports by all members of the Inner Six. On the other hand, I certainly doubt very much that the decline from 30 per cent to 20 per cent in the tariff on wheat entering France and Italy will greatly stimulate the sale of wheat to those countries, especially in view of the fact that the hard wheat which France formerly needed from Canada is now being grown in France itself.

It is gratifying, I am sure, to all Canadians that our export trade has so far this year shown an upward tendency, but in the present world state I certainly do not think that this can be taken as grounds for too much complacency.

Thinking in terms of the current concern about Canada's large foreign trade and payments deficits, perhaps I may be permitted the following brief comments in closing my remarks.

For several years now we have had a large deficit which has stemmed mainly from rapid expansion of Canada's economy. However, I would like to point out that as recently as 1953 Canada's foreign trade was still following its traditional pattern, which was a substantial deficit with the United States, offset at least in part by a surplus with overseas countries. The overseas surplus in 1953 amounted to just over $460 million, of which more than one-third was in trade and services transactions with the principal countries of continental Western Europe. Somewhat less than one-third of this was in transactions with the United Kingdom. In 1959, however, the overseas surplus was replaced by a deficit of more than $200 million—a net worsening of nearly $700 million. This was more than twice the increase in Canada's deficit with the United States in the same six years. Clearly, as I said before, the economic developments in the world have brought about and are bringing about very important changes in the pattern of economic trade.

While I have barely touched on some of the broader aspects of Canadian trade, it seems to me the evidence is very clear that every effort should be made at this time to achieve closer economic co-operation on as broad a base as possible, and particularly with the United States and the two European trade blocs.

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

EXCISE TAX BILL

STANDING COMMITTEE'S REPORT CONSIDERED IN COMMITTEE—BILL REPORTED WITHOUT AMENDMENT

Pursuant to an order of the day, the Senate went into committee to consider the report from the Standing Committee on Banking and Commerce on Bill C-73, to amend the Excise Tax Act.

Hon. Lionel Choquette in the Chair.

Report read by the Clerk Assistant:

The Standing Committee on Banking and Commerce, to whom was referred the Bill (C-73) intituled: "An Act to amend the Excise Tax Act", have in obedience to the order of reference of June 22, 1960, examined the said bill and now report the same with the following amendment:

Page 6: after the line reading: "Maple syrups; corn syrup; table syrups; molasses;" insert a new line as follows: "Margarine;".

Hon. W. M. Aseltine moved that the amendment made by the Standing Committee on Banking and Commerce to Bill C-73,

intituled "An Act to amend the Excise Tax Act," be not concurred in and that the said bill be reported without amendment.

He said: Honourable senators, I think for the benefit of those who were not here during the sessions of 1946, 1947 and 1948 I should give a brief summary of the background in connection with this margarine question. The manufacture, sale and possession for sale of what was then known as oleomargarine was prohibited by the Dairy Industry Act, chapter 45 of the Revised Statutes of Canada, 1927.

In 1946 this fact was brought very forcefully before the Senate by the honourable gentleman from Waterloo (Hon. Mr. Euler) when he introduced a bill to amend the Dairy Industry Act, which bill, had it passed, would have legalized the manufacture, sale and possession for sale of oleomargarine. However, although he gave a fine display of eloquence and presented many facts the bill did not get second reading. In 1947 he tried again. I commend him most highly for his efforts, but for a second time his bill did not receive second reading. In 1948 he submitted his bill again and although it did not receive second reading, his diligence resulted in something being accomplished. He introduced in the Senate this resolution:

> That, in the opinion of this house, the Government should, immediately after prorogation of the present session of Parliament, refer to the Supreme Court of Canada for the opinion of that court the question of the constitutional validity of that part of the Dairy Industry Act, chapter 45 of the Revised Statutes of Canada 1927, which prohibits the manufacture or sale, or having in possession for sale, or offering for sale, oleomargarine, margarine, butterine or other substitute for butter, manufactured wholly or in part from any fat other than that of milk or cream.

The purpose of the motion was to ascertain whether or not that part of the Dairy Industry Act was *ultra vires* of the dominion. The resolution was passed by the Senate and acted upon by the Government of the day, and in the fall of 1948 the reference was made to the Supreme Court of Canada. Judgment was handed down by that court to the effect that prohibition of the manufacture, offer, sale, or possession for sale, of the goods mentioned is *ultra* vires of the Parliament of Canada. Since that time, honourable senators, the manufacture of margarine in Canada has been going ahead by leaps and bounds.

Hon. Mr. Euler: May I interject a remark at this point? The Government appealed to the Privy Council, which upheld the decision of the Supreme Court of Canada.

Hon. Mr. Aseltine: I am sorry if I did not go far enough. The honourable senator from Waterloo states that the Privy Council upheld the decision of the Supreme Court of Canada. After that, as I have said, the manufacture and sale of oleomargarine, which eventually became margarine by name, went ahead by leaps and bounds. I understand that margarine is now sold in practically all the provinces except—did I hear someone say Prince Edward Island?

Hon. Mr. Gouin: Quebec.

Hon. Mr. Aseltine: And the province of Quebec.

Hon. Mr. Monette: It is sold in Quebec, too.

Hon. Mr. Aseltine: I think honourable senators will realize that this large quantity of margarine is sold in competition with butter. Last year 152 million pounds of margarine were sold in Canada, which was half the number of pounds of butter sold in that year. The excise tax is 11 per cent.

I would like to mention that when this bill was before the Senate for second reading the honourable senator from Waterloo referred to the fact that although margarine was an edible food, quite palatable, and greatly in demand, the sales tax had never been removed from it, and that purchasers were paying this indirect tax under the Excise Tax Act. Then the bill was referred to the Standing Committee on Banking and Commerce, and I admit I was taken quite by surprise when the honourable senator from Waterloo introduced in committee an amendment to the Excise Tax Act, which amendment has been read here this evening. Honourable senators, to this amendment I am opposed, and a little later on I shall state my reasons.

The revenue from this tax, according to the evidence given in the committee, is between $4 million and $5 million.

In spite of the fact that the manufacture of margarine became legal in 1948 or the beginning of 1949, the Government of that day did not remove the sales tax. It had some eight years in which to do so, but during that time apparently it decided that it was not ready to remove this tax from margarine. The present Government came into power in 1957, and it has had some three years in which to consider removing the tax, but has not done so. Apparently for both these Governments it was a matter of policy.

Hon. Mr. Euler: Was it a matter of policy or politics?

Hon. Mr. Aseltine: A matter of Government policy.

Hon. Mr. Euler: I thought you said politics.

Hon. Mr. Reid: Let us say that both are right.

Hon. Mr. McDonald: May I ask the honourable leader (Hon. Mr. Aseltine) if the Senate has authority to make the suggested change, which it seems would disturb the balance of ways and means?

Hon. Mr. Aseltine: I am coming to that. I have given only a short introduction to what I am going to say.

Honourable senators, to my knowledge no complaints to any extent have been received from consumers. I see my honourable friend from Waterloo shake his head, but I will leave the answer to him. The tax is less than three cents a pound and margarine is half the price of butter. In other words, a consumer can buy two pounds of margarine for the price of one pound of butter. In some grades of margarine he can buy three pounds for the price of one pound of butter. I have seen margarine advertised at that price.

Honourable senators, I maintain that no one is suffering from this small tax. The dairy industry of Canada considers the tax helpful and, I am told, is unalterably opposed to removal of the tax.

I do not intend to go into the constitutional aspect of this matter to any extent. Of course, I could refer honourable senators to the preamble to the British North America Act, and to sections 53 and 54 of the British North America Act having to do with money bills, but I am not going to quote from the act. I am not a constitutional lawyer, and I do not intend to deal at any length with the constitutional aspect of the case. I could quote from Bourinot, and from speeches of Sir Wilfrid Laurier and other prominent parliamentarians and lawyers, but I will not do so. Honourable senators know what has been said in the past on both sides. However, I do wish to point out that when the budget for the fiscal year 1960-61 was being presented by the Minister of Finance it was not anticipated that any new items would be exempted from the sales tax. To amend the bill as suggested would result in the balance of ways and means being disturbed to the extent of between $4 million and $5 million, the approximate amount of the sales tax on margarine. The tax, I understand, is 8 per cent general tax and 3 per cent for old age security.

Now, whether the Senate has or has not the power to adopt such an amendment as is now before the committee is not in my opinion the main issue, but rather it is whether the Senate should—and I emphasize *should*—amend the bill now before us in such a way that the balance of ways and means will be disturbed and threatened. I go further than that and say that it has been the long-standing policy of the Senate not to do so. I know that is the opinion of quite a number of senators in this chamber at the moment. I have heard the honourable Leader of the Opposition (Hon. Mr. Macdonald) express the same opinion on quite a number of occasions.

It is my hope, honourable senators, that my motion will receive the unanimous approval of the Senate, that the committee's amendment will not be concurred in, and that the bill will be reported for third reading without any amendment.

Hon. W. D. Euler: Honourable senators, as the villain in the piece, and as I have already made my views well known on the second reading of the bill, perhaps I might be forgiven if I make a few more comments with regard to the matter of exemption of margarine from taxation.

I want to thank my friend the Leader of the Government (Hon. Mr. Aseltine) for his kind references to myself. We have been pretty close friends for a long time and I can remember very well that he usually supported me in my efforts with regard to margarine. I quite recognize also that times have changed, and I do not blame him at all for taking the position he has taken, because politics and public office bring with them certain responsibilities and even changes of conduct, if not of conviction. I am pretty sure that the great majority of the members of this chamber are in favour of the principle which I am advocating, but for reasons upon which I will touch in due course they do not voice their convictions.

I am glad my friend is not going to make a feature of the constitutionality of the bill. He said he is not a constitutional lawyer. Well, I am not a lawyer at all, and if the bill is going to be debated on those grounds I would much prefer to see it debated by the learned members of the bar. He puts the matter almost entirely on the score of what it is advisable to do—whether it is the proper thing to remove this tax or to maintain it —and it is on that basis that I want to speak about it.

On second reading I gave my reasons why I think the tax on margarine should be removed. That tax amounts to 11 per cent, or, as my honourable friend has said, three cents a pound.

One need only read the list of food products in the bill to realize that there is a principle there, that foods, being a vital necessity, and perhaps the main necessity in the lives of the people, are properly exempt from tax. It is unquestionably true that margarine is a good food. It is not only nutritious, it is

inexpensive and it has been a boom to millions of people in this country who with large families cannot afford to buy butter.

Now, if there is a definite principle established that foods should be exempt from sales tax, what possibly good reason can anyone give why margarine should be made an exception to the general practice?

Two weeks ago when I spoke on the subject I said that the tax on margarine initially was an accident and has continued by design. When sales tax was imposed a good many years ago there was no such thing as legal margarine; therefore it could not possibly appear in the list. When it was made legal it was omitted from the list, I think then by design, because of the pressure exerted by a certain group, which have the right to do so in their own interests. This amendment seeks to remove that discrimination.

There is another discrimination in our statutes, rather a peculiar one. Perhaps most members know that the people of Newfoundland have margarine, have coloured margarine, and they do not pay the sales tax on it. I should modify that statement. They do pay the sales tax, but by what I call a back-door method the sales tax is remitted to them from the federal treasury, and so they are free from sales tax.

My friend tries to make a considerable point of the fact that the revenue from the sales tax on margarine is about $5 million. We all remember a certain well-known public man who on one occasion said, "What's a million dollars?"

Hon. Mr. Brunt: This is $5 million.

Hon. Mr. Euler: I am coming to that.

"What's a million dollars?" My friends opposite made very good use of that statement, which was not intended to show indifference to extravagance, and it helped them very considerably in the winning of the last election.

My friend from Hanover (Hon. Mr. Brunt) remarked, "This is $5 million." I would almost say, except that my statement might be misinterpreted: What is $5 million, compared with the hundreds of millions of dollars that are being wasted by this Government and were wasted by the former Government by way of defence costs which are not justified because the weapons we are producing and making do not defend us in any case? So while $5 million is a substantial amount, I wonder whether the Leader of the Government (Hon. Mr. Aseltine) in saying that it was a loss of revenue to the country also thought of the fact that it means that much saved to the consumers in Canada?

Hon. Mr. Aseltine: How do you know it would be passed on to the consumers?

Hon. Mr. Euler: There would be enough competition to ensure that.

Hon. Mr. Aseltine: It never has been done.

Hon. Mr. Euler: That is the tax for only one year. During the 10 years or so that margarine has been subject to sales tax, how many millions of consumer dollars have been spent that shouldn't have been spent, had margarine been on the same basis as other foods.

Hon. Mr. Aseltine: May I interrupt my honourable friend? I looked up the record, and I find that I voted against his margarine bill on two occasions.

Hon. Mr. Euler: May I ask the leader what he did on the other occasion? However, I am not questioning him. I know he usually gave me very good support, just as I gave him support on bills he introduced. In both matters we failed. Usually I am not very successful with the legislation I propose in this house. But I have a little hope that, with a new Government, which professes to be doing everything for the good of the public and promised to reduce taxation, here is an opportunity for it in a small measure to live up to the promises made.

I should like to correct one other statement. My friend the Leader of the Government stated that he was surprised when I introduced my motion in the Standing Committee on Banking and Commerce to remove the sales tax on margarine. I think he will recall that I crossed the floor of the chamber and told him that that was what I was going to do. He did not like it, but I did it just the same. So, my friend is incorrect in his statement.

The real objection—and let us not deceive ourselves—to the removal of the sales tax from margarine is that it is desired to place as many obstacles as possible in the way of the sale of margarine and to promote the sale of butter. Honourable senators will not deny that that is the case. In fact, the Leader of the Government (Hon. Mr. Aseltine) said as much just a moment ago.

The same is true of the ban on colour in margarine. Eight provinces still prohibit the colouring of margarine. There is only one motive for doing that, namely, to discourage housewives from buying margarine by making it necessary to do the colouring in their own kitchens, with all the mess and work that are involved. I think this attempt to discourage housewives from buying margarine is not meeting with great success. However, that I say is the real reason for the ban on colouring, and the same reason applies to the objection to removing the discriminatory sales tax.

Strangely enough, the objection comes—and I know whereof I speak—from members who are really free traders. They object to tariffs on goods coming into this country to compete with Canadian goods—for example, agricultural implements.

Hon. Mr. Brunt: There is no duty on agricultural implements.

Hon. Mr. Euler: No, but I remember the time when there was.

Hon. Mr. Brunt: Surely you can't hope to get away with that.

Hon. Mr. Crerar: There was a time.

Hon. Mr. Euler: We are not going to quarrel about that; my friend is quite right.

The point I am getting at is the inconsistency of being opposed to protection against foreign goods and in favour of protection for one Canadian industry against another Canadian industry. Could anything be more inconsistent? There is no other commodity manufactured or produced in this country that is protected against a competitor in this country.

Hon. Mr. Brunt: Yes, there is.

Hon. Mr. Euler: Tell me about it.

Hon. Mr. Brunt: Soft drinks bear a sales tax, while powdered drinks bear no sales tax.

Hon. Mr. Euler They are the same business.

Hon. Mr. Brunt: Both are for the same purpose.

Hon. Mr. Euler: They are not competitive at all, and they are not foods.

Hon. Mr. Brunt: They are in the same position as margarine and butter.

Hon. Mr. Euler: Both are produced by the same firm.

Hon. Mr. Brunt: No, they are not.

Hon. Mr. Macdonald: What about hard drinks?

Hon. Mr. Brunt: My friend asked for an example, and I gave him one.

Hon. Mr. Euler: It is an example, such as it is, but it is not a food.

Hon. Mr. Farris: What does my friend mean by "hard drinks"?

Hon. Mr. Brunt: They all bear tax.

Hon. Mr. Euler: It would be just as consistent for the people who produced wood for fuel to have opposed the use of coal; later, coal was superseded by oil, then oil by natural gas, which is gaining ground every day, and in due course I suppose we shall heat by atomic energy. The world is progressing all the time, and I think it utterly illogical and unfair—I stress the word *unfair*—to discriminate against one product in favour of another, both of which are produced in this country.

I have spoken already about the motive behind the sales tax on, and the prohibition of the colouring of, margarine. I would say, I think without successful contradiction—and there have been a good many plebiscites taken with regard to it—that if the people of Canada were permitted to vote as to whether they desired to have margarine coloured in the factories or the sales tax removed, they would vote 80 per cent in favour of the removal of the sales tax and of the ban on colouring of margarine.

Hon. Mr. Brunt: Would not people generally vote to remove a tax?

Hon. Mr. Euler: That is begging the question, and there is no point to it at all. We are forgetting the millions of consumers who pay the tax. An old saying comes to mind: "The greatest good to the greatest number."

One more reference, and I shall be through. In this matter the motives are, to some extent at least, political. I am not trying to give offence to anyone. I knew perfectly well when I introduced a bill for the legalization of margarine in Canada on three occasions, unsuccessfully—and I want to thank my friend the Leader of the Government for the compliment he paid me in that respect—that some senators believed, according to their right, that the Government of the day did not want the enactment of a measure to legalize the sale of margarine. That being the feeling of some members of this chamber, many who I believe were in fact in favour of the principle of the sale of margarine voted against it because the Government did not wish the bill to pass this chamber and go to the House of Commons, there to embarrass the elected members who were afraid of the votes of a minority when they went to the elections. That may to some extent be the case now. I do not know.

Let me make a personal reference. Before I entered this chamber I had been a member of a political party and of a political Government, but I came here with the thought in my mind, and I still have it, that when one enters this house he should come with pretty much of an open mind, with the idea and intention of dealing with questions on their merits. That is what I would like to see the senators do with this amended bill. Why not let it go to the House of Commons, and let the members of that house take the responsibility of voting on it? They can throw

the amendment out if they so choose. I have never heard of the members of the Commons doing much for the Senate, except criticize it. Therefore, I say, why not let this bill go to the Commons and let them take their own responsibility and not again take shelter behind the protective arms of the Senate?

Hon. Calvert C. Pratt: Honourable senators, I have just one comment that I wish to make. The honourable senator from Waterloo (Hon. Mr. Euler) made reference to an arrangement with the province of Newfoundland. The phrase he used, but which he may not have meant to be as bad as it sounded, was that by an under-cover arrangement the sales tax on margarine is adjusted. I would like to say that there is no such thing, I am sure, as an under-cover arrangement between Newfoundland and the federal Government.

In this particular case, the manufacture and sale of margarine in the province of Newfoundland were made the subject of special consideration while the terms of Union between Newfoundland and Canada were being negotiated. It was written into the terms of Union that, in Newfoundland the manufacture and sale of margarine would not be impeded, and at the present time that is how it stands. That is a matter which was negotiated and agreed upon between Canada and Newfoundland at the time of Union.

Hon. Mr. Euler: Honourable senators, I did not use the word "under-cover". I said it seemed to be a back-door arrangement. Maybe that means the same thing, but I was not casting any aspersions on the good province of Newfoundland. If there is to be any criticism it should be of the dominion Government for making that sort of an arrangement.

Hon. Mr. Pratt: It was one of the conditions of Union and was neither an under-cover nor back-door matter.

Hon. R. B. Horner: Honourable senators, I would like to say a few words, and point out to the honourable senator from Waterloo (Hon. Mr. Euler) that his main argument when he introduced his measure for the removal of the ban on the sale of margarine, as I remember it, was that the tax revenue that the Government would receive from it would be very considerable.

Hon. Mr. Euler: No, never.

Hon. Mr. Horner: Yes, I remember that distinctly.

Hon. Mr. Euler: No, no. Would the honourable senator give me a reference to that?

Hon. Mr. Horner: I will find it for you, and I certainly can find it because I remember it very distinctly.

First of all, we must ask ourselves the question: Are milk, milk powder, ice cream and butter necessaries for the children of this country? Are they just ordinary run-of-the-mill foods that can be stored away? As a matter of fact, we are storing milk powder to a greater extent than was ever possible before, but the source of that milk powder is fresh milk which is obtained by a seven-day-week and a fifty-two-week-year operation, with no relaxation, whereas, on the other hand, a large margarine factory may operate one month a year, one week out of each month, or two days a week, and produce enormous quantities of this product which is sold, as the honourable Leader of the Government (Hon. Mr. Aseltine) pointed out, at very reasonable prices at present in spite of the small tax.

One of the major ingredients of margarine is rape seed oil. In western Canada last year the farmers were receiving 4 cents a pound for rape seed, and a large part of that rape seed goes into manufacture of margarine.

Canada has undertaken many great burdens, and we should not deprive the Government at this time of the revenue from this sales tax.

While I agree with the honourable senator from Waterloo when he points out that margarine is a food, I must say that it is an extraordinary case. The whole Canadian home is built around dairy cattle. Many men and women who are leaders in their communities had the responsibility, when they were children, of bringing in the cow to the barn and of caring for it. In what way can you compare that to a huge vat of oil, 75 per cent of the contents of which is comprised of vegetable oils and other oils which are imported? It is not a fair comparison, and I, for one, cannot support the resolution to withdraw the tax.

Hon. W. Ross Macdonald: Honourable senators, I find myself in a very undesirable position. I agree with much of what the honourable senator from Waterloo (Hon. Mr. Euler) has said. I think we must all agree that he presented his case today in an excellent manner. I do not recall any senator having spoken more clearly and fairly. I think we all admire him for the stand which he has taken over the years in respect to margarine. He has been sincere. He desires to have margarine sold at as low a price as possible so that as many people as possible can buy it. We all have the greatest respect for him, and for the stand which he has taken, and I can go, as I say, a long way with him in his remarks tonight.

Unfortunately, maybe, I am on the record as to how I feel about disturbing the balance

of ways and means. I find I am not as good a parliamentarian as is the honourable Leader of the Government (Hon. Mr. Aseltine). Apparently, he can take a stand on a subject at one time and now take a different stand.

Hon. Mr. Aseltine: To what is my honourable friend referring?

Hon. Mr. Macdonald: I am referring to the time when the question of margarine was first discussed in this house and when, as I understand it, the honourable Leader of the Government supported the honourable senator from Waterloo.

Hon. Mr. Aseltine: I am on the record as to the way I voted. I looked it up, and I voted against him.

Hon. Mr. Euler: Not always.

Hon. Mr. Macdonald: It was my understanding that you voted against the honourable senator the last three times, but you did not refer to how you voted on the previous occasions. If I am wrong I shall be glad to withdraw my remarks, but I notice that the honourable Leader of the Government is smiling.

In any event, I have taken a stand in connection with the disturbance of the balance of ways and means. I have said that I believe that so far as possible the balance of ways and means should be preserved and that the Senate should not upset the calculations of those charged with the making of them and with the preparation and initiation of the measures designed to bring them into effect. That is the stand I have taken. As I say, although I agree with a great deal of what the honourable senator from Waterloo has said I cannot go back on what I have said on previous occasions. I believe in what I have said previously, and no matter what stand the honourable Leader of the Government may take, I am going to be consistent.

Hon. Arthur W. Roebuck: Honourable senators, I have the greatest respect for the integrity, the consistency and, usually, the opinion of the honourable Leader of the Opposition (Hon. Mr. Macdonald). I follow him in most matters, and we agree, at least in principle, on most of the things that are discussed in this chamber. However, as a constitutional lawyer I am impelled at the moment to disagree with his stand in respect to the right of the Senate to act in a matter of this kind. I appreciate, of course, his desire not to upset the honourable gentlemen in the other place in their calculations, and not to require them to spend a little more of a stub of pencil on figuring them out again. That is a very kind attitude on his part, but it is not sufficient to nullify—

Hon. Mr. Macdonald: I assure my honourable friend that that is not the reason for my stand.

Hon. Mr. Roebuck: Perhaps it is not entirely to ease the burdens of the gentlemen in the other place who figure out our finances. Very well. In that case let us be free to exercise the rights which the Constitution gives to this body to deal intelligently with matters of this kind. There has been a great deal of very light talk about what our rights in this chamber are and what they are not when financial questions are concerned.

I have in my hand a report by our brilliant Parliamentary Counsel, Mr. E. Russell Hopkins, entitled *Financial Legislation in the Senate*. Mr. Hopkins quotes from the great authority upon which this house has acted on many occasions, a report submitted a number of years ago by the late Senator W. B. Ross. Mr. Hopkins writes:

> Senator W. B. Ross submitted the report of the Special Committee of the Senate on May 15, 1918, and incorporated therein a memorandum prepared by Messrs. E. Lafleur and Aimé Geoffrion. The conclusions of the committee were clear and concise. In its view, the powers of the houses are equal with respect to legislation, including financial legislation, except that money bills must be originated in the House of Commons: the Senate is therefore not competent to introduce amendments raising a tax or appropriation, since this would be tantamount to introducing a money bill.

But it can reduce these amounts. Mr. Hopkins quotes the language of Senator Ross' report delivered to this house in 1918:

> The Senate of Canada has and always has had since it was created the power to amend bills originating in the Commons appropriating any part of the revenue or imposing a tax by reducing the amounts therein, but has not the right to increase the same without the consent of the Crown.

That is, we have a right to amend money bills but not to increase appropriations or taxes without the consent of the Crown. As far as that is concerned, neither has the Commons, because when the Government brings in a money bill it is with the consent of the Crown.

Mr. Hopkins goes on:

> The committee's conclusion was that the mere recital in the preamble to the British North America Act—

To which my honourable friend the honourable Leader of the Government (Hon. Mr. Aseltine) has just referred—

> to the effect that the federating provinces desired a constitution "similar in principle to that of the United Kingdom" could not over-ride the plain intendment of the operative sections of the British North America Act, which limit the legislative power of the Senate only to the extent as therein stated.

Now, what was stated in the British North America Act? It is to be found in section 53

of the act. This is the limiting section so far as we are concerned, and it is the only limiting section which you find in the act. Section 53 reads:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost, shall originate in the House of Commons.

Let me read it again:

> Bills for appropriating any Part of the Public Revenue, or for imposing any Tax or Impost,

—two things only—

> —shall originate in the House of Commons.

Let us get in our minds clearly that this is the one limitation on the powers of this house. I say to you as a lawyer of some years' standing that we have every right and every authority to apply our minds to problems of this kind and to reduce the tax if we think it is wise in the public interest to do so.

Mr. Hopkins quotes as follows from Berriedale Keith's *Responsible Government in the Dominions*:

> There is no other provision limiting the power of the Senate with regard either to finance or to general legislation.

Then in his report Mr. Hopkins writes:

> The so-called "Ross Report" was adopted unanimously by the Senate as a whole on May 22, 1918. Since then it has been re-stated many times in the Senate and remains in the record as the official view of that body.

Now, honourable senators, let us apply our minds to this measure without doubt and without fear with respect to its constitutional aspects. As to the merits of this question let me say that I come from one of the great industrial centres of this country. I feel I directly represent a very large number of the consumers of Canada, and in the House of Commons I represented a constituency in that great centre of population, the city of Toronto. So I think I know something about the people of my region and of the rest of Canada as well, and I am concerned about their health and well-being. I know that margarine is the food of the poor. A few cents on the price of margarine mean a great deal to a large proportion of the people to whom I have referred. I call your attention to the fact stated by the Leader of the Government that 152 million pounds of margarine were consumed last year by the people of Canada. An excise tax of 11 per cent is not something to shrug off or to look upon lightly when it is placed upon the food of those who buy the cheapest food consistent with the health of their families. I remember very well the discussions that took place in this house on two or three occasions when we debated the question of margarine. We were told that dire consequences would follow the manufacture, sale and consumption of this food. It is true my honourable friend from Waterloo (Hon. Mr. Euler) told us that it was a healthful food. Well, I haven't heard of anybody dying of margarine poisoning since this item of diet has been subject to free sale among our people, as it is, except in certain provinces, and there it is sold anyway.

I quite appreciate and sympathize with the views of the dairy industry. It is, of course, taking care of its own financial interests, but I have no sympathy with those who would hog-tie the consumers of this dominion for the financial interests of those who run butter factories.

Hon. Mr. Farris: Who would get the most benefit from a reduction, the manufacturer or the consumer?

Hon. Mr. Roebuck: The consumer.

Hon. Mr. Aseltine: How do you know?

Hon. Mr. Roebuck: Because there is the freest of competition among the manufacturers of margarine, and competition sets the price in a general way. Sometimes competition is circumvented, not infrequently by the policy of honourable gentlemen opposite who propose tariffs and advocate taxation of this kind. Sometimes there are cartels and monopolies which interfere with free competition, but the basic principle upon which prices are regulated is competition. You might as well tell me that the impost of 11 per cent would not increase the price as tell me that taking off the 11 per cent would not decrease the price. Of course it would.

An Hon. Senator: It is not subsidized.

Hon. Mr. Roebuck: No, it is not subsidized; it stands on its own feet. I would object if the boot were on the other foot, if in this house there were those who were trying to advance the sale of margarine at the expense of butter. I object to hog-tying the consumer at any time, limiting his powers of choice and forcing him to buy something that he doesn't want by some financial or physical arrangement. I am a free trader in this as in all matters, and I am strongly in favour of reducing the price of margarine to our poorer consumers, to everybody who uses it—and their name is legion—by removing this 11 per cent tax. I trust the majority of this house will agree with the senator from Waterloo and sustain his amendment.

Hon. T. A. Crerar: Honourable senators, the Leader of the Government (Hon. Mr. Aseltine), in his remarks dealing with the report before the committee, outlined the historical facts of the controversy which for years has surged around the manufacture and sale of margarine. It is not necessary to refer to that. I am bound to say I am at a loss to understand why, on the basis of

fairness and equity, anyone in this house would wish to continue this sales tax on margarine. Margarine is a food, and it is a healthful food. There may have been, fifty years ago, opposition on the ground that oleomargarine, as it was then called—because at that time it was made wholly from animal fats—was not a healthful food. There is no question that the conditions at that time under which it was manufactured were often very far from sanitary, just as the conditions under which butter was then made were often very far from sanitary. However, with the improvements in health regulations, sanitation and inspection, margarine today is just as healthful a food as a human being can consume. In fact, there are medical authorities who argue that margarine made from vegetable oils is even superior to butter.

Hon. Mr. Roebuck: They are called unsaturated vegetable oils.

Hon. Mr. Crerar: Yes.

Hon. Mr. Brunt: There are arguments both ways on that.

Hon. Mr. Crerar: But, as many honourable senators are aware, the argument is advanced by many doctors that animal fats contain the substance known as cholesterol.

Hon. Mr. Horner: There are other prominent doctors who argue that there is nothing to that at all.

Hon. Mr. Macdonald: How do you argue?

Hon. Mr. Crerar: My good friend from Blaine Lake (Hon. Mr. Horner) has displayed a bit more than his ordinary impetuosity at this moment.

Hon. Mr. Horner: You are displaying a bit.

Hon. Mr. Crerar: I did not say that there were not other doctors who took the contrary view. My point was that there are eminent doctors who hold this point of view that I enunciate, and I still stand by that statement.

Hon. Mr. Horner: All right. I don't agree with it.

Hon. Mr. Crerar: That is all right. I have not the slightest objection to my honourable friend's disagreeing with me. As a matter of fact, we often find ourselves on common ground, particularly when I visit him in his room.

Hon. Mr. Brunt: On freight rates.

Hon. Mr. Crerar: I come back to the fact that margarine is a healthful food. Now, there is no question that the price at which margarine can be purchased is on the whole less than half the price paid for butter. Take the people of limited means, who may have families to support and to buy food for. Why should they not enjoy the fullest possible advantage in the purchase of a healthful food? Why should they have their cost of this food item increased by 11 per cent sales tax, when every other food is exempt?

Hon. Mr. Brunt: Not every other food.

Hon. Mr. Crerar: I put it not only to the common sense of this house, but also to its fairness: Is that a reasonable position to take? I submit that it is not. The real fact is that from the very beginning of this controversy over margarine—or oleomargarine, in the first instance—behind it has been the principle and incidence of protection to the dairy industry and to dairy farmers. There is no question about that at all. The late Mr. Motherwell, who brought the matter up in the early twenties, made no bones about the fact that he wanted to protect the dairy industry.

Hon. Mr. Euler: Or that he was a free trader.

Hon. Mr. Crerar: I say to the honourable senator from Blaine Lake and to all other honourable members of this house that I am not going to stand up in my place in Parliament and advocate that the duty should be removed from shoes, for instance, for the poor people of this country, or from the agricultural implements the farmer uses—

Hon. Mr. Horner: They are exempt.

Hon. Mr. Crerar: —and at the same time argue that it is a justifiable thing to impose this protective principle in this way. At any rate, I hope to be consistent in that respect. The argument, it seems to me, is unanswerable on the basis of fairness and equity to the people of this country.

I am not going to discuss the theory that removal of the sales tax from margarine would disturb the balance of ways and means. I think the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) dealt very effectively with it. As a matter of fact, I have always believed, and I believe now, that the powers of the Senate in respect of legislation are co-equal with the powers of the House of Commons excepting in one respect, that bills that impose taxation or bills for the expenditure of money must originate in the other house. But to say that a money bill, a bill imposing taxation, is sacrosanct and that when it comes to this house it cannot be touched, is against the experience of this house.

Let us go back and get a resumé of what was said by those who considered and debated this problem in this house in years past. Take the opinion of the late Senator Ross, given in 1918, to which the honourable senator from

Toronto-Trinity referred. That was based on an opinion from two of the most eminent constitutional lawyers in this country, the late Aimé Geoffrion, and the late Eugène Lafleur. I think our colleagues in the house who belong to the legal profession will not dispute my statement that those two gentlemen were among the most eminent lawyers on constitutional matters in this country; and as far as I am concerned, honourable senators, I am prepared to take their opinion on this matter, that we have the power to deal with money bills. We can reduce taxes when a bill of that nature comes to this house from the other place. We cannot increase taxation nor can we initiate new taxes, but we can reduce them, and we can reduce expenditures. And if I may venture an opinion to the house, it is that we do not act often enough in respect of these matters. To make a fetish out of the idea that it is beyond the powers of the Senate to reduce taxes or expenditures is wholly a mistaken idea. If there still lingers any doubt about that in the minds of the Government let them submit a stated case to the court and find out just what our authority is in that respect. There is nothing in so far as I understand it, and heaven knows I am not a lawyer and never pretended to be one, not even a—

Hon. Mr. Aseltine: A sea lawyer.

Hon. Mr. Crerar: That's it; I am not even a sea lawyer. But I am confident that I have not overstated the case.

To come back. I think that in the past, when another Government was in power, we in the Senate may sometimes have taken the attitude of refraining from embarrassing our friends on the other side of the fence. Well, that is not my view of the responsibilities of the Senate. I gravely suspect that that is the ruling motive behind the criticism of this legislation now.

Hon. Mr. Aseltine: No, it is not.

Hon. Mr. Crerar: Well, if I am mistaken, I will apologize.

Hon. Mr. Aseltine: If your argument were carried to the extreme, no Government could possibly bring down a budget and finance its operations.

Hon. Mr. Crerar: That is nonsense.

Hon. Mr. Aseltine: It would interfere with ways and means all the way through.

Hon. Mr. Crerar: The Senate would never do that. But that is a different thing altogether from reducing a tax on an essential element of food in this country. There is no comparison. In any event, the function and responsibility of the Senate, indeed the plain duty of the Senate, is to act quite independently of any other authority and to judge the issues that come before it on the basis of fairness and equity, and of what is in the best interests of the Canadian people.

Hon. Mr. Horner: Honourable senators, may I be allowed just one remark? I am afraid the unsigned letters the honourable senator and I have been getting have affected him rather seriously.

Hon. John T. Haig: Honourable senators, I would like to say a few words. Somebody suggested we might be making trouble for the other house. Well, I would not spend too much time on that issue because I think the members of that house are quite able to take care of themselves. I do not think we need to worry about them.

What I am worried about are the farmers of this country, farmers who keep cattle, who milk cows and send the milk to the factory and so on. I know them from my early days. I was born and raised on that kind of a farm, and every Saturday I would go with so many pounds of butter and some eggs in a basket to sell to merchants three or four miles away.

We have had a lot of elections in Manitoba since 1948 and I have never heard a single candidate in one of them say that he was in favour of oleomargarine. They will talk about it when they are in the legislature, but when they get back before the people seeking election they never say boo. In an election the issue of oleomargarine could carry the city of Winnipeg itself, which elects seven or eight members, but that issue could not carry the country where the farmers live. We in this house have to recognize that our farmers need protection and help more than any other class in the community. They are the backbone in the matter of giving employment to the country as a whole, and only by our support of them will this country get out of the fight it is in, because we are going to have to fight Russia, and China too, not in a shooting war, but on tariffs.

The honourable member from Blaine Lake (Hon. Mr. Horner) told us that oleomargarine is made out of ingredients shipped into this country, and that the profits go to the manufacturers. They would make 11 per cent additional profit if the sales tax were removed, because they could continue to sell their product at its present price, which includes the tax.

I want to say to my fellow senators in this house that I am not interested in any fight between the Senate and the House of Commons, because we would certainly get

the worst of it. The people are not so enthusiastically in love with the Senate as with the House of Commons.

Hon. Mr. Croll: They are not much in love with the House of Commons.

Hon. Mr. Haig: That is all right; you can have your opinion, but I am telling you the situation as I see it. I have run in a good many elections and I know something about elections. I was elected four times in the whole city of Winnipeg. I know that although the issue of oleomargarine is debated when the legislature is in session, it is never raised in an election.

The candidates keep as quiet as mice about it, because they know that the majority of the people of Manitoba would not stand for that kind of thing. We want to give our farmers a chance to make a living in this country. That is fundamental. That is what the people of Manitoba think, no matter what my honourable friend from Churchill (Hon. Mr. Crerar) says. He was a member of the cabinet and he could have had the law changed if he had wanted to. But he never did. I have been here 25 years and I never heard of any legislation being brought forward by him to do that very thing. A bill was introduced here in 1948. He was in this house at that time. It was up first in 1945, I think.

Hon. Mr. Euler: My honourable friend says the majority of the people of Manitoba are against margarine.

Hon. Mr. Haig: Yes.

Hon. Mr. Euler: Then how is it that two months ago the Manitoba Legislature had a tie vote on the colouring of margarine?

Hon. Mr. Haig: I am saying that never has the question been raised as an election issue.

Hon. Mr. Euler: Somebody must have raised it or it would not have come to a vote.

Hon. Mr. Haig: The question of the sale of margarine was never raised; it was just whether margarine should be coloured.

Hon. Mr. Euler: Yes, I know that.

Hon. Mr. Haig: I can understand the people voting for the colouring of margarine, because when they serve the stuff they want you to think you are eating butter. The colouring would help it. But when you see that stuff you know it isn't butter.

Hon. Mr. Horner: Try it on hot toast and you will find out.

Hon. Mr. Haig: The legislators were not voting on the sale of margarine, but on the colouring of it. I challenge my friend from Churchill to name me a place where margarine was raised as an election issue in Manitoba.

Hon. Mr. Crerar: Will my honourable friend permit me to speak for a moment? I think it is true that the question was not discussed at elections, because it was not an issue. There were other more important matters. When my friend refers to my position in the house, he is wholly mistaken. He referred to the year 1945. I cannot recall that the question was dealt with in 1945.

Hon. Mr. Haig: He was not here in 1945.

Hon. Mr. Crerar: Indeed I was here in 1945.

Hon. Mr. Haig: I repeat, oleomargarine was not an issue in the Manitoba elections, because anybody who introduced it knew it would mean his political death to do so.

Hon. Mr. Roebuck: May I interrupt?

Hon. Mr. Haig: No; I will deal with my friend when I am finished.

The province of Manitoba is not the largest dairy province, but it is perhaps next to Ontario and Quebec. Dairying is of course important in Nova Scotia and Prince Edward Island also. But we raise large quantities of cattle in Manitoba and dairying is the backbone of the farming industry there.

Nobody need accuse my friend the Leader of the Government (Hon. Mr. Aseltine) of voting any other way than he should vote. He sat beside me in opposition for a long time, and if he had voted the wrong way we would have run him out. We sat together for 12 years—and my friend the present Leader of the Opposition (Hon. Mr. Macdonald) knows that is a long time. He has only been in that position two years, and he thinks it is pretty long.

Hon. Mr. Macdonald: The longest two years I have ever experienced.

Hon. Mr. Haig: When we were in opposition I used to accuse my friend the present Leader of the Government of bossing me, and he accused me of bossing him. But at least we always agreed when it came to voting. We sometimes took counsel with the honourable senator from Blaine Lake (Hon. Mr. Horner).

Hon. Mr. Hugessen: And all three were wrong.

Hon. Mr. Haig: Now I will answer my friend from Toronto-Trinity (Hon. Mr. Roebuck).

Hon. Mr. Roebuck: May I ask my honourable friend how many million pounds of margarine are sold each year in Manitoba?

Hon. Mr. Haig: I don't know how much is sold there.

Hon. Mr. Roebuck: I can say it is a very large amount. The farmers eat it too.

Hon. Mr. Haig: Of course we have a large sale of butter in that province; it is one of our paying industries.

Hon. Mr. Roebuck: I refer to margarine, not butter.

Hon. Mr. Haig: I don't know about margarine. There is no factory in Manitoba making margarine, that I know of. Perhaps my friend from Waterloo (Hon. Mr. Euler) can tell me if that is so.

I want to say one further word. I think we ought not to make an amendment to this bill and challenge the House of Commons on it and start a fight among its members. If we want to challenge the House of Commons we should start a fight on some issue that means millions of dollars to the people of Canada as a whole, and not to a mere segment of the population. This question affects only the dairy industry.

Hon. Mr. Euler: It affects all consumers.

Hon. Mr. Haig: I have sufficient confidence in a fellow called Diefenbaker to believe that he won't take any challenge. If he decides to amend the bill, he will do so; if he decides to let it go, he will let it go. He may decide to accept the challenge of the Senate, but I do not want to challenge the House of Commons on this question. It is too small to make a fight over. It is a matter on which fundamentally we do not agree. Some of us think we should not permit the sale of margarine. We think we should help our butter farmers in Canada to sell their product. We may be wrong, but I cannot forget what I learned as a boy. When I was six or seven years of age I went to town every Saturday morning on Molly's back with a basket of butter and eggs on my arm, sold the produce and brought home the goods my mother told me to get. There I learned my first lesson in business. I am not a very good businessman yet, but I know that two and two always make four.

My point is that we should vote this amendment out. There is no fundamental issue at stake in it. My honourable friend from Waterloo says there is an issue. But I say there is no demand, no campaign, no request to deal with it. For that reason I think it is a serious mistake to challenge the House of Commons on it.

Some Hon. Senators: Question!

Hon. J. Wesley Stambaugh: May I say to my friend from Toronto-Trinity (Hon. Mr. Roebuck) that the poorest people and the hardest working people in Canada are the farmers.

Hon. Mr. Roebuck: They buy margarine themselves.

Hon. Mr. Stambaugh: I know some of them do. Probably no people need to buy margarine more than farmers do. But most farmers have a few cows and sell a little butter. They are hard-working people; they don't know what holidays are; they work seven days a week, 365 days a year, and know nothing about a 40-hour week. The cows have to be milked on Sundays and holidays the same as on any other day. I say the farmers are the most deserving and the hardest-working people of Canada, particularly the dairy farmers.

As regards the question whether the average person can afford to purchase margarine, I might say that when this subject came up several years ago I made a study of it. I visited many people in the cities and I found there were very few people who could not afford to buy margarine. I found that most of the people who bought margarine were not poor at all. They were using it for cooking or were trying to save a little money. At the same time, I found that those people could afford to buy two or three packs of tailor-made cigarettes a day and to drink high-priced and high-taxed liquor without any trouble at all. So I am not concerned about these so-called poor people in the cities who work only forty hours a week or less and make two or three times as much as the farmer. They have a pretty easy time of it. I know many of them. The people who need protection more than anyone else are the dairy farmers of Canada, and I feel that we should give them a little support.

Hon. Vincent Dupuis: Honourable senators, I would like to give my views on this question. In all fairness to the sponsor of the amendment, the honourable senator from Waterloo (Hon. Mr. Euler), I spoke to him about this question and I told him that I had changed my mind. I told him that privately, because in years gone by I was strongly opposed to margarine for, like the previous speaker, I thought it was against the interests of the farmers, and I know that farmers have a very difficult task making a living.

However, as a lawyer, I would submit to some of my honourable colleagues a constitutional question, which was debated by some honourable senators, especially by my good friend from Toronto-Trinity (Hon. Mr. Roebuck). My question is as to the right of the Senate to amend money bills. The authority of constitutional law has been upheld by other honourable senators, and also

by the late Aimé Geoffrion and Eugène Lafleur, who were two of my professors at university and for whom I shall always hold great respect.

Another aspect of constitutional law has come to my mind. For instance, in the House of Commons, of which I was a member for quite a few years and whose rules I have studied—not as well as my good friend who sits next to me (Hon. Mr. Vien), who was Deputy Speaker of that house for many years—in that house any legislation that affects the expenditures of this country must be moved and placed before the house by a member of the Government, a minister. No private member of the House of Commons has the right to bring in a bill that would affect the expenditures of this country. I believe I am right in saying that, and I think that this rule should apply here.

Of course, I agree with the authorities that in this chamber we have not the right to introduce a money bill to increase the expenditures, but we have the right to reduce expenditures. In this case, by the adoption of this amendment, we would reduce the taxes and thereby reduce the revenues of this country, but we would also relieve some of the burden on the taxpayers.

What I am asking myself and the other members of this honourable house is this: Are the rules that apply in the House of Commons not binding in this house? I submit the question for what it is worth. I am under the first impression that the rules of the House of Commons should be applied here, and that the Leader of the Government in the Senate (Hon. Mr. Aseltine) is entitled to move an amendment to reduce taxes imposed on the taxpayers of this country.

Hon. L. M. Gouin: Honourable senators, I would like to say just two things. I do not think it is necessary in what I am going to say to discuss the constitutional aspect of the question. I have only to ask myself: Is it advisable to vote in favour of the motion which has been made by the Leader of the Government?

In my own case, I represent the constituency of Huntingdon, which is the leading dairy constituency in the province of Quebec. In those circumstances, as a representative of those dairy farmers, I think it is my duty to protect as much as possible the producers of butter, and therefore I should not help put the manufacturers of margarine in a still more favourable position than they are in at present.

Hon. David A. Croll: Honourable senators, I hesitated to enter this debate until I heard the senior senator from Winnipeg (Hon. Mr. Haig) speak.

I wish to state first of all that I agree with what was said by the honourable senator from Bruce (Hon. Mr. Stambaugh) when he pleaded the plight of the farmer. He made out a good case. I understand that under the present governmental farm policies the income of the farmers has fallen by some $50 million so far this year. That is a very serious matter. I was not too impressed by the argument made by the honourable Leader of the Government (Hon. Mr. Aseltine) when he said that the former Government had for eight or nine years allowed the tax to remain, and that the present Government had had only three years in which to perpetuate the mistake.

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

Hon. Mr. Croll: Of course you did not say that. I am saying that. I am adding just a few words to indicate what you meant.

Hon. Mr. Aseltine: Do not attribute that statement to me.

Hon. Mr. Croll: You made the statement that the present Government had been in office for only three years.

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

Hon. Mr. Croll: What did you say?

Hon. Mr. Aseltine: I said the previous Government had been in power for eight years, had considered the matter and had not taken the tax off; and that the present Government had been in office for three years and had not taken it off and that, therefore, it must have been Government policy to leave it on.

Hon. Mr. Croll: Exactly. I did not suggest that you said anything other than that.

Hon. Mr. Brunt: It sounded as if you did.

Hon. Mr. Croll: I did not agree with the tax when the last Government imposed it for eight or nine years, and I do not agree with it now. In effect, what my honourable friend has said is that the present Government is perpetuating the mistake of the last Government.

I had not originally intended to speak in support of the committee's amendment. I am driven to it now, driven to it by the arguments that are being presented here tonight. When the legislative authority of this chamber is questioned, then it is time to take a stand.

Hon. Mr. Aseltine: Who questioned it?

Hon. Mr. Croll: The honourable Leader of the Government very wisely did not do so, but other eminent members have raised the question.

I took occasion to look up our powers this afternoon. I understand it is agreed that the Senate has special responsibilities as a custodian of provincial rights; that it has a right to amend money bills if such changes have the effect of decreasing an appropriation or reducing a tax. That is what I understand the law to be. Shall I remind the house that a year ago we dealt with the Estate Tax Act—

Hon. Mr. Brunt: It was two years ago.

Hon. Mr. Croll: In any event, we made some amendments to the Estate Tax Act at that time. I did not support the amendments, but for an entirely different reason, which I stated. I thought that the large estates would benefit to a great extent. If I recall correctly, that question of constitutionality was not raised at that time.

Hon. Mr. Brunt: Quite properly so, for it did not interfere with the current budget of the Government at that time.

Hon. Mr. Croll: But when it went back to the other place, if you read the Commons *Hansard* of that day you will see the Minister of Finance said it was unworkable and it interfered with ways and means. I am rather amazed when I hear talk about how badly the farmer fares here. I don't know a great deal about farming, but I know that butter sells for 70 cents, the farmer has a support price of 64 cents, and he buys margarine at 30 cents. He doesn't do too badly at all on the deal. I am told by the margarine people that some of their best customers are farmers.

Hon. Mr. Horner: You were told that?

Hon. Mr. Brunt: What is the authority?

Hon. Mr. Croll: I think that is generally known to be a fact. It is important to know that there is a growing acceptance of margarine in this country. The honourable Leader of the Government told us that the production amounted to 152 million pounds, being up 4½ per cent from the year previous, whereas butter was down 4 per cent from the year previous, and this despite the artificial handicaps put in the way of margarine. First of all there is the 11 per cent sales tax on margarine which is not on other basic foods, including butter. Then, the colour must be added to margarine in every province except Newfoundland and British Columbia. I realize we cannot do anything about the colouring but, as the honourable senator from Waterloo (Hon. Mr. Euler) pointed out, we can do something about this discriminatory tax. I don't think that a drop of 3 cents a pound will improve the competitive position of margarine with butter but it will to some extent benefit the consumer.

Hon. Mr. Brunt: Every reduction in the price of a commodity improves its competitive position. It can't help but do so.

Hon. Mr. Croll: There isn't much of a competitive position if one product is selling at 30 cents and its so-called competitor is selling at 70 cents.

Hon. Mr. Brunt: And you want to reduce margarine by another 3 or 4 cents.

Hon. Mr. Croll: When I say it is necessary to do that, those of you who are aware of the fact that the cost of living, according to the most recent report has gone up, during the month of May—

Hon. Mr. Haig: How much has it gone up?

Hon. Mr. Croll: Not a great deal, but it is starting on its way up. It doesn't go up very quickly, but the important thing is that it has gone up and not down. The reason for that is the rise in food costs. The house should appreciate that margarine production can help the farmer. Soya beans are used in the manufacture of margarine and the soya bean industry in this country is becoming important. At the present time we import some soya beans. The rape and sunflower seeds in the west are becoming part of an industry of great importance. The farmer can make himself a profitable crop, he can diversify, and he can strengthen the national economy by producing these things that are necessary for margarine when it is sold in far larger volume than it is at the present time. As the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and others have said, it is the people's food and it should be exempt in the same way as butter is. If they want to colour it pink or yellow or any other colour they should be permitted to do it.

Hon. Mr. Horner: Or red.

Hon. Mr. Croll: Yes, red, if they like. It is amazing how acceptable it is to the people and not acceptable to public officials. That is very difficult to understand.

The edible oils industry is becoming important in this country, and it ought to be increasingly important not only to the farmer but to the consumer. I have already said that the soya bean industry in Ontario is a $12 million industry.

Hon. Mr. Brunt: That is the first time you have said that.

Hon. Mr. Croll: I saw a press report a few days ago that in the west the crop of rape seed in the last decade increased from 1,000 acres to 600,000 acres, and that in the next decade another million acres now growing wheat will be diverted in that fashion. I am

not responsible for that statement. If anyone wants to know what newspaper I read it in I shall be glad to give the information. I haven't got it here with me.

I suggest it is time that we gave the people in the margarine business a chance to see what they can do by way of expanding their production instead of stifling the market and denying to the people generally an equally good product at a price that they can afford to pay. That has been the great appeal margarine has had: it has been a good food that people can afford to buy.

Hon. Norman P. Lambert: Honourable senators, I wish to add just a word or two to what has already been said in favour of the amendment as reported from the Standing Committee on Banking and Commerce. In the past I have been identified, I think on every occasion, with the cause of furthering the manufacture, distribution and consumption of oleomargarine. As I contemplate this list of foods which is embodied in the bill to amend the Excise Tax Act, I wonder why oleomargarine is left in the invidious position in which it is placed in relation to these other foods.

Many other foods do not begin to compare in volume of consumption with oleomargarine.

I regard the constitutional excuse for not adopting this amendment as not deliberate, possibly, but I think in reality it is a thinly-veiled disguise for the special privilege of a deeply-entrenched dairy industry in this country. In that connection, I am very sorry that my honourable colleague from Winnipeg South (Hon. Mr. Thorvaldson) is not here this evening to repeat the strong castigation that he made the other day in committee. I think he spoke with a great deal of conviction, and I certainly share in every way in what he had to say about the entrenched character of the Dairy Council and the dairy industry in this country, which is enjoying benefits by reason of government subsidy for its products. The manufacturers of oleomargarine, on the other hand, are meeting all competition in an open and free market for the benefit of the consuming public of Canada. In these days, when we are witnessing the rapid growth of unemployment and depression, with economic problems besetting our people, every possible reduction in costs of living should be effected as far as we are able to do so. It is a reasonable suggestion to ask that oleomargarine be included with the other foods which are free from the 11 per cent tax which is imposed upon it.

Hon. Muriel McQ. Fergusson: Honourable senators, I merely want to make a very brief comment on this matter. From a study of the schedule to this bill it appears, as the honourable senator from Waterloo (Hon. Mr. Euler) has said, that practically all basic foods are exempt from sales tax. It seems, therefore, unreasonable that margarine, a food of the poor, as the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) termed it, is not also listed among the items exempted in the schedule. Margarine is not only a good basic food, but it is so good that many doctors prescribe it in place of butter in diets for patients with certain diseases.

Knowing that the people of the province of Newfoundland are not obliged to pay sales tax on margarine, I took time to read the Terms of Union of Newfoundland with Canada, which set out that there shall be no restriction on the sale of margarine in Newfoundland. I think it was very wise of the people of Newfoundland to insist that this provision be included in the Terms of Union. I certainly would not want to see them deprived of this privilege. However, it seems to me a very strange situation when a law that is passed by the federal Parliament applies unevenly throughout the provinces of Canada. I do not advocate that the people of Newfoundland should have to pay the tax on margarine, but I do advocate that the people of the other provinces should be on the same footing and exempted from paying the tax on margarine.

Honourable senators, I support this amendment.

Hon. Mr. Brunt: Question!

Hon. Mr. Horner: Question!

Hon. William H. Golding: Honourable senators, I have listened with a good deal of attention to the speeches that have been made this evening.

I must say, as a former Deputy Chairman of Committees of the Whole in the House of Commons, I had a responsibility, just as had the present Leader of the Opposition (Hon. Mr. Macdonald) when he was Speaker of that house, in giving rulings on certain matters that came before the Chair. When a question arose as to removing an item of revenue we always had to rule it out of order, unless some other item were substituted therefor which would produce the equivalent of the item removed. I sat in that house with my colleagues here, the honourable Senator Euler, the honourable Senator Crerar, the honourable Senator Roebuck and the honourable Senator Croll, and I do not think any one of them will dispute the fact that that was always required of the Chair.

The honourable Senator from Toronto-Trinity (Hon. Mr. Roebuck) referred to the

memorandum of Mr. Lafleur and Mr. Geoffrion. Now, I am not a lawyer, but I try to sum up these things from a sensible standpoint. His interpretation of that report is quite different from mine. In summing up their report they said:

> Under the circumstances we are of the opinion that the Senate of Canada may amend a money bill originating in the House of Commons as fully as the House of Commons can do. Of course, the powers of the Senate are limited to the same extent as those of the House of Commons by the fact that money bills must be recommended by a message of the Governor General.

That is, money bills must be introduced by a minister of the Crown.

My interpretation of that is that we in the Senate can do what the House of Commons can do. Somebody else may put a different interpretation on that altogether. When you interpret that as it is, you ask yourself, what can the House of Commons do? The House of Commons can reduce expenditures. You could have a $110 million expenditure, and a private member could move to reduce that to one dollar. No private member could move for any expenditure or for the removal of an item of revenue, without substituting something in its place.

Hon. Mr. Euler: I do not like to interrupt, but may I ask a question right there? The senator has just stated that no item of revenue can be removed without substituting something else. Well, how in the world can a private member substitute something else? Does my friend mean by the imposition of a tax—which could not be done at all?

Hon. Mr. Golding: Well, the simple answer is that a private member cannot do it. He cannot substitute anything. That is the rule. My friend should know that as well as I know it.

Hon. Mr. Euler: But it is impossible to substitute, you say?

Hon. Mr. Golding: I know it is; and that is why he cannot do it.

Hon. Mr. Crerar: May I ask the honourable member a question? This point has bothered and puzzled me. Does he maintain that it is beyond the compass of the House of Commons to reduce a tax proposed by the Government?

Hon. Mr. Golding: The House of Commons can do anything. It can throw out a whole budget. But to be in order you cannot remove an item of revenue without substituting something else for it. You can throw out the whole budget speech, and you can defeat the Government; and you can throw out anything here in the Senate, if you wish to do so.

My honourable friend from Waterloo (Hon. Mr. Euler) speaks of this item of $5 million, but the principle involved is that if you can remove an item of revenue of $5 million you can remove an item of revenue of $500 million, or five times that, if you wish to do it.

Now, let us consider the propriety of taking an action of that sort. I cannot imagine anything that would create more dissension between the two Houses of Parliament than to have one house destroy the efforts of the other. The Minister of Finance brings down his budget, he estimates his expenditures as so much, and he estimates his revenue at so much. Then this Excise Tax Bill, a revenue bill, comes over here, containing a number of free items. I doubt if ever before there was a move by the Senate to inject a revenue item into a list of free articles, and my opinion is that it is an improper thing to do. I voted against the amendment in committee and I shall vote against it now. In doing so I think I am voting for the harmony which must exist between these two houses, and I think I am on solid ground.

There has been some discussion about the situation in which the farmers find themselves. I happen to have been raised on a farm and I know something of what it is to milk cows seven days a week and all that sort of thing, and you can take it from me that the farmers are having a tough time right now. And I want to say this, that if the farmers are buying margarine, which I know they are, they are doing so only from an economic standpoint. They sell their butter at as high a price as they can get and buy the substitute because of their economic situation, and I think my honourable friend from Waterloo will agree with that.

I was home over the weekend and was shocked at the appearance of the spring crops there. I was talking to one couple who got on the train at my home town of Seaforth—they were over at Zurich, which is a good farming district—and they told me that the farmer they visited will not have any crop this year but hay. That is the situation the farmers are in.

There are other segments of our economy that are being helped with tariffs and with other things, and we do not find too much fault with them. I think my honourable friend from Waterloo, while he was Minister of National Revenue, imposed a general tariff of 45 per cent on furniture, which is a pretty high tariff, but he felt that those people were entitled to some protection and he gave it to them. And, incidentally, he did not lose any votes on that issue, at least not in his own constituency of Kitchener.

Hon. Mr. Euler: I did not make the law on tariffs.

Hon. Mr. Golding: That is what I am telling you. Honourable senators can look it up and see for themselves.

So, if the Government intends to give the farmers a little assistance I say all the better for them. I hope they do get this assistance and that the Senate will vote the amendment down.

Hon. Mr. Macdonald: Question!

The Hon. the Chairman: Honourable senators, it is moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Brunt, that the amendment made by the Standing Committee on Banking and Commerce to Bill C-73, intituled "An Act to amend the Excise Tax Act", be not concurred in and that the bill be reported without amendment. What is your pleasure? Those in favour, please say Yea.

Some Hon. Senators: Yea.

The Hon. the Chairman: Those not in favour, please say Nay.

Some Hon. Senators: Nay.

Hon. Mr. Aseltine: I think the Yeas have it.

The Hon. the Chairman: Will the Yeas please stand?

Hon. Mr. Vien: Mr. Chairman, I think you should explain what the question is about.

The Hon. the Chairman: I have read the motion. It is that the amendment made to the bill by the Standing Committee on Banking and Commerce be not concurred in and that the bill be reported without amendment. Those who are in favour of that motion are the Yeas. I would ask the Yeas to please rise.

Hon. Mr. Vien: That is, those who are not in favour of the amendment recommended by the committee?

The Hon. the Chairman: Yes.

Will the Nays now please rise?

Motion of Hon. Mr. Aseltine agreed to: Yeas, 32; Nays, 15.

Bill reported without amendment.

Report adopted.

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

Hon. Mr. Brunt: With leave of the Senate, I move the third reading now.

Hon. Mr. Vien: Next sitting.

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CRIMINAL CODE BILL

SECOND READING

Hon. Lionel Choquette moved the second reading of Bill S-36, to amend the Criminal Code.

He said: Honourable senators, Bill S-36, which is to amend the Criminal Code, contains only two important clauses. Clause 3 is merely consequential and in keeping with the change proposed by clause 2. As can be seen by the explanatory notes to the bill, the proposed new section 85(1)(a) is the same as the present section 85(1). The new paragraph (b) of section 85(1) has been added by way of amendment to make it unlawful to have in one's custody or possession,

> a rifle having a barrel less than twenty inches in length and a butt or stock that can be folded, telescoped or shortened.

The prohibition is similar to that in the present section 85(1) with respect to a sawed-off shotgun or sawed-off rifle.

The purpose of the amendment is to make it unlawful to have in one's custody or possession a Hornet Survival rifle. It was considered by the Department of Justice that by reason of its compactness, muzzle velocity, and ease of concealment, possession of this weapon would be conducive to and might well facilitate the commission of crimes, and that its possession should be prohibited. This conclusion is supported by expressions of opinion from law officers in the larger metropolitan areas, and as well from provincial authorities.

The Crown Assets Disposal Corporation had sold a number of Hornet Survival rifles which had been used by the Royal Canadian Air Force. This weapon was advertised as not requiring police registration. The Minister of Justice in November last year, as soon as the situation was brought to the attention of the Minister of Defence Production, issued a press release explaining the reasons for the proposed amendment. The Crown Assets Disposal Corporation arranged for the return of and reimbursement for all Hornet rifles held by dealers or returned by dealers to the public. It is expected that the introduction of this amendment will accelerate the return of these weapons by the public to dealers from whom they were purchased or to the various R.C.A.F. depots, upon a fair price being paid by way of reimbursement. The dealers will be reimbursed by the Crown Assets Disposal Corporation, plus handling charges.

It has been ascertained that to date 1,224 rifles have been sold to the public and 1,577 are still in the hands of dealers.

We come now to clause 2 of the bill. The effect of this proposed amendment is to permit evidence to be taken by means of a

sound recording apparatus where it is authorized by provincial legislation for use in civil cases.

Hon. Mr. Wall: Is this to be used in criminal cases?

Hon. Mr. Choquette: With the passage of this amendment it will be permitted to be used in criminal courts. Up to the present only two provinces, namely, Saskatchewan and Nova Scotia, have the recording apparatus which is being used in the civil courts. The province of Saskatchewan has its court rooms so well equipped with the apparatus that the province has asked that the Criminal Code be amended to permit its use in criminal courts.

Hon. Mr. Aseltine: In preliminary hearings.

Hon. Mr. Choquette: And, as well, to be used throughout any trial.

Subclause 2 of the proposed amendment is to make clear that the transcription and certification of the mechanical record is to be carried out, and the transcript is to be used in accordance with the scheme of the provincial legislation.

Clause 3. The effect of this amendment is to provide for the mechanical recording of evidence at a jury trial by reference to the procedures specified in section 453 of the Criminal Code. Its purpose is to make the provision uniform with respect to sections 471 and 708(3), and is consequential upon the amendment to section 453. As I said at the outset, this amendment is required as a result of the change proposed in clause 2, so that it will not be out of step with the other related sections.

Honourable senators, this is not a complicated bill, and I see no necessity, unless it is the wish of some of my honourable friends to do so, for sending it to a committee.

Hon. Arthur W. Roebuck: Honourable senators, there is very little comment required on the two important sections of this bill. I am in favour of both of them, but I do think the bill should go to a committee.

The first section, which prohibits the possession of a sawed-off shotgun or rifle, is undoubtedly in the public interest, because the shortened or collapsible gun, the gun with a short barrel, is capable of doing great damage and may be used in holdups. It is more readily concealed than is the normal rifle or shotgun. Therefore, I think we are thoroughly justified in prohibiting its use. I know of no good use to which it can be put. It is entirely for criminal and anti-social purposes.

Honourable senators, I do wish we could do something about the control of firearms generally. As my honourable friends know, I have a country house, and know something about the country, I am glad to say, in a very happy way. There I see boys shooting guns off in a most nonchalant way. I recently came across some little boys of 8 or 10 years of age shooting at a bird on a telephone wire, with the bullets going into the air and falling nobody knows where. Last summer I had a pet goat tethered out in front of my house. I came home one afternoon and found the goat apparently very ill and suffering great pain. A farmer friend of mine joined me in looking at the animal. We thought it had a stomach ache. It was dead in the morning. I found it had been shot through the stomach. In all probability the author of that wound never knew he hit the goat. It was probably the result of a high-powered rifle being shot into the air. The bullet might just as readily have killed one of the children as it did my goat.

The indiscriminate use of firearms is dangerous in our communities. I would be in favour of legislation which would restrict it. If we could keep guns in the hands of responsible people who know the danger of them and are trained never to point a gun at a person, or discharge it in a way it might do damage, we would accomplish something very useful. I am in favour of this clause, and by all means let us pass it.

The next subject, that of mechanical reporting, is of course of great interest. Reporting by a system of shorthand has worked very well in the past. I do not think there is any objection to it whatsoever, but it is unfortunate that the younger men of today avoid the very large amount of study and labour necessary to qualify them for that difficult work. The fact is, therefore, that our courts are finding it increasingly difficult to secure reporters. With the advance of mechanization and the invention of more and more gadgets we are being forced to equip our courts with mechanical means of reporting.

At the same time, I hope that the provinces will take very great care in respect to the systems they adopt. A mechanical recorder that takes down everything that is said and all the sounds that occur in a court room would not be satisfactory. It is a necessary provision that the evidence that goes into the record shall be strained through the human mind, and not transcribed verbatim in a slavish manner. The record should contain only that portion of the talk which is of interest and which is pertinent to the subject. That part should be selected and recorded, and the other parts excluded. No machine can do that. That is why our present reporting system is so satisfactory. It is not slavish. It is not absolutely verbatim as to all the

sounds that occur. It intelligently picks out those portions of it which are required to be recorded, and it is those portions only which are typed.

I do think that if a mechanical system is used it should be something into which a trained reporter speaks, with the machine recording either by magnetism or by the cutting of some kind of a record. A system such as that would work, I think, but that is for the provincial Attorneys General and their staffs to decide. I throw this out as a suggestion, however, that from my long experience in the courts I am confident that a mechanical all-inclusive recording of all the sounds that occur in a court room will not be satisfactory. We must make progress and, therefore, I am in favour of giving the law enforcement officers of the provinces the privilege of using a mechanical means of reporting the proceedings in both our criminal and civil courts as they may see fit and to the best of their good judgment.

I am in favour of both these clauses. They are good clauses. They are not objectionable in any way, but nevertheless I think this bill should go to a committee.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Choquette, bill referred to the Standing Committee on Banking and Commerce.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—ORDER STANDS

On the order for resuming the adjourned debate on the motion of Hon. Mr. Aseltine:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges. 30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. Mr. Macdonald: Stand.

Hon. Mr. Aseltine: I wonder if the honourable senator would be prepared to go ahead with this order tomorrow afternoon as the first item on the Order Paper. It is two weeks since I moved the motion, and the session is progressing. I would like to make sure that plenty of time is given to honourable senators who wish to make speeches pertaining to this matter, and for that reason I think the debate should be continued tomorrow.

Hon. Mr. Macdonald: Honourable senators, if the honourable Leader of the Government (Hon. Mr. Aseltine) can arrange this with the honourable senator from Churchill (Hon. Mr. Crerar), I have no objection. Honourable senators will probably recall that on Thursday last the honourable senator from Churchill allowed a certain order to stand on condition that it would be called first tomorrow.

Hon. Mr. Aseltine: The Order Paper does not indicate that.

The Hon. the Speaker: The honourable senator from Churchill yielded the other day on condition that the order which stands adjourned in his name would be called first tomorrow. If the honourable Leader of the Opposition would agree to proceed in second place, that might be a satisfactory compromise.

Hon. Mr. Macdonald: I might agree to proceed first if the honourable Leader of the

Government can make satisfactory arrangements with the honourable senator from Churchill.

Hon. Mr. Aseltine: I will try to arrange things in the best possible manner so as to suit everybody.

The Hon. the Speaker: Is it agreed who is to proceed first?

Hon. Mr. Aseltine: Yes, Mr. Speaker. It is agreed that item No. 4 on today's Order Paper will be called first tomorrow, if arrangements can be made with the honourable senator from Churchill; if not, the item in which the honourable senator from Churchill is interested will be first on the Order Paper, and today's item No. 4 will be second.

Hon. Mr. Macdonald: I understand the Order Paper will probably be made up tonight. May I suggest that the order in which the honourable senator from Churchill is interested appear first, and that the order with respect to the tenure of judges follow?

Hon. Mr. Aseltine: That will be satisfactory.

The Hon. the Speaker: If at the sitting tomorrow the honourable senator from Churchill consents to proceed second, then the honourable Leader of the Opposition will be first.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 6, 1960

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

Prayers.

NEW SENATOR

The Hon. the Speaker: Honourable senators, I have the honour to inform the Senate that the Clerk has received a certificate from the Acting Secretary of State of Canada showing that the Honourable John Michael MacDonald has been summoned to the Senate.

NEW SENATOR INTRODUCED

The Hon. the Speaker having informed the Senate that there was a senator without, waiting to be introduced:

Hon. John Michael MacDonald, of North Sydney, Nova Scotia, was introduced between Hon. Mr. Aseltine and Hon. Mr. Blois; presented Her Majesty's writ of summons, which was read by the Clerk Assistant; took the legally prescribed oath, which was administered by the Clerk, and was seated.

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

WAR VETERANS ALLOWANCE BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-71, to amend the War Veterans Allowance Act, 1952, and had directed him to report the same to the Senate without any amendment.

Report adopted.

Hon. Mr. White moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

CRIMINAL CODE BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill S-36, to amend the Criminal Code, and had directed him to report the same to the Senate without any amendment.

Report adopted.

Hon. Mr. Choquette moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INDIAN AFFAIRS

REPORT OF JOINT COMMITTEE

Hon. James Gladstone, Joint Chairman of the Joint Committee of the Senate and the House of Commons on Indian Affairs, presented the second report of the committee.

The report reads as follows:

Tuesday, July 5, 1960.

The Joint Committee of the Senate and House of Commons on Indian Affairs make their second report, as follows:—

The Joint Committee of the Senate and House of Commons on Indian Affairs was reconstituted by those Houses of Parliament on March 15 and March 9 respectively, to continue the examination and consideration of the Indian Act and Indian administration in general begun during the 1959 session of Parliament.

Your committee has held 41 meetings and has heard 61 witnesses, including representatives of Indian bands and organizations, provincial Governments, church authorities and other organizations and groups listed hereunder:

1. Dominion Abitibi Band, Quebec;
2. St. Regis Band, Quebec and Ontario;
3. Indian Association of Alberta;
4. Indian Advisory Committee, Province of Ontario;
5. Indian-Eskimo Association of Canada;
6. Federation of Saskatchewan Indians;
7. Nishga Tribal Council, British Columbia;
8. Aboriginal Rights Committee of the Interior Tribes of British Columbia;
9. The Canadian Catholic Conference;
10. The Anglican Church of Canada;
11. The Co-operative Union of Canada;
12. The Board of Home Missions of the United Church of Canada;
13. Saddle Lake Band, Alberta;
14. Blackfoot Band, Alberta;
15. Blood Band, Alberta;
16. Government of Saskatchewan;
17. Six Nations Confederacy, Ontario;
18. Union of Ontario Indians.

Included in the *Minutes of Proceedings and Evidence,* as appendices thereto, are 73 written submissions received by your committee from Indian bands, provincial Governments, church authorities and other organizations and groups interested in the welfare of the Indian Canadian.

It was evident early in the sittings that it would not be possible to hear all those who wished to make oral presentations, or to enter into a detailed examination and consideration of the Indian Act and to suggest amendments thereto. However, from evidence which has been given before your committee, it is apparent that one provision of the act, the compulsory enfranchisement feature of section 112, is opposed by virtually all the Indians and many non-Indians. It has created a barrier of distrust of all efforts designed to encourage the Indians to improve their position and assure more control over their own affairs.

Your committee believes that removal of this barrier will go a long way in convincing the Indians of the genuine desire of Parliament and the Government to further their advancement on the basis of mutual co-operation and trust and is of the opinion that its early removal is most desirable. In these circumstances, while the general study of enfranchisement of Indians must be left for further consideration, your committee unanimously recommends that at the first opportunity the Government introduce legislation to remove the compulsory enfranchisement provision from the Indian Act.

Your committee unanimously recommends further that immediately after Parliament reassembles next session, a similar committee be reconstituted to continue and complete the hearing of representatives of Indian and other organizations, departmental officials, and also review the Indian Act.

Your committee wishes to express its appreciation to all those representatives of Indian bands, Indian organizations, provincial Governments, church authorities and other organizations and groups for their valuable contribution to the deliberations of the committee and also for the information and assistance tendered by the Minister, the Honourable Ellen Fairclough, Superintendent General of Indian Affairs, the Director of Indian Affairs, the Director of Indian and Northern Health Services, and other departmental officials.

A copy of the committee's *Minutes of Proceedings and Evidence* is appended.

All which is respectfully submitted.

JAMES GLADSTONE
Joint Chairman

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

Hon. Mr. Gladstone moved that the report be considered at the next sitting of the Senate.

Motion agreed to.

CANADIAN NATIONAL TORONTO TERMINALS BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. A. K. Hugessen, Chairman of the Standing Committee on Transport and Communications, presented the following report:

The Standing Committee on Transport and Communications, to whom was referred the Bill (C-72) intituled: "An Act respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

On motion of Hon. Mr. Hugessen, report adopted.

REPORT OF COMMITTEE

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill C-72, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Mr. Brunt moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

LAND USE

COMMITTEE MEETING POSTPONED

On the Orders of the Day:

Hon. Arthur M. Pearson: Honourable senators, before the Orders of the Day are called I would like to mention the postponement of a special meeting of the Special Committee on Land Use in Canada which was called for tomorrow at 12 o'clock. I would ask honourable senators who are members of that committee to ignore the notice. A further notice will be given.

CANADA'S CENTENNIAL

ORDER STANDS

On the order:

Resuming the postponed debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to Canada's Centennial Year 1967, and suggesting that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future.—(Honourable Senator Crerar, P.C.)

Hon. Mr. Aseltine: Honourable senators, last evening when the business of the Senate for this afternoon was being discussed I said that if at all possible I would like to proceed with the debate on the resolution with respect to the retirement of judges as the first order this afternoon, but as the honourable senator from Churchill (Hon. Mr. Crerar) had adjourned the debate on the inquiry of the honourable senator from Banff (Hon. Mr. Cameron), and as that was the first order for today, it was suggested that I see the honourable senator from Churchill and talk the matter over with him. I am happy to say he has most graciously agreed to let Order No. 1 stand until next Wednesday. He was ready, willing and able to proceed today, but was most pleased to co-operate and do that which, probably, I should not have suggested.

Hon. T. A. Crerar: Honourable senators, at the request of the Leader of the Government (Hon. Mr. Aseltine) I agreed—whether graciously or ungraciously, I shall not say—to let this order stand, because it is not a matter of urgent importance at the moment. Being of a very accommodating nature, I desire to do all I can to help the honourable

Leader of the Government overcome some of the difficulties in his work, and I gladly make way for the debate regarding the retirement of judges which, as everyone recognizes, is a very important matter.

The Hon. the Speaker: The order stands for one week.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—DEBATE ADJOURNED

The Senate resumed from Tuesday, June 21, the adjourned debate on the motion of Hon. Mr. Aseltine:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges. 30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. W. Ross Macdonald: Honourable senators, I am indeed fortunate in that it falls to my lot to be the first member of the Senate to take part in the regular business of today, because it is my privilege as a Macdonald to welcome another MacDonald to the Senate. There are now four of us, and I hope, Mr. Speaker, you will not be confused whenever any one of us wishes to propose a motion or to speak. I can say to our new senator that we are all very happy to have him with us. I know nothing of his background, except that he did not belong to the same political party to which I belonged. I also know that he had a long and distinguished career in the Legislature of the province of Nova Scotia. He will, therefore, bring to bear on the consideration of matters in this house the experience he gained in that Legislature. I trust he will have here a long, interesting and useful career. I am very glad to welcome him to the Senate.

Honourable senators, the proposal before the Senate today is that a humble address be presented to Her Majesty the Queen to the end that the imperial Parliament will pass on amendment to our Constitution, the British North America Act.

In the first place, let me point out that we are not dealing with a bill here. Most legislation comes to this house in the form of a bill and most bills have already been passed by the other house when they come to us. We may then approve of them in whole or amend or reject them. When we amend a bill it is sent back to the other house, whose members will accept or reject our amendment. To deal with any case in which a Senate amendment is rejected by the other house and insisted upon by the Senate, there is a procedure for a conference of representatives of both houses.

As I say, what we have before us now is not a bill. It is a resolution, and it is in exactly the same words as the resolution which was recently passed in the House of Commons, but this is a distinct motion on our own behalf as the Senate. What we do here does not return to the House of Commons for approval any more than what the other house did comes to us for approval.

I thought I should emphasize this fact so that we would know we are acting on our own responsibility, which ends in the Senate. We are dealing with the Constitution of our country. I think of the Constitution as being similar to the foundation of a mighty building, and I would remind honourable members that no one alters or tampers with the foundation of a mighty structure without being sure that what is done will not weaken the superstructure but, rather, will strengthen it.

May I also remind the house that we are not amending the British North America Act. We cannot amend our Constitution in every respect, but in the British North America Act we are empowered to amend certain legislation of our own and to bring into effect certain legislation of our own. The British North America Act, if it is amended, will not be amended here but in the United Kingdom. What we are doing is humbly approaching Her Majesty praying that she will be graciously pleased to cause a measure to be laid before the Parliament of the United Kingdom to amend our Constitution. If we approve of this address we know that Her Majesty will be graciously pleased to place such a measure before the Parliament of the United Kingdom and that the Parliament will grant our request.

I have said, honourable senators, that we cannot amend our Constitution in every respect. But why, I ask, should we not be able to pass legislation with respect to the tenure of superior court judges? The federal Government has full control over their appointment, their pay, and their removal, so why, under the 1949 amendment to the British North America Act, should we in this house not be able to pass legislation with respect to their tenure of office? It is true that the Canadian Bar Association has requested that the age of retirement of superior court judges should be 75 years, but I remind honourable senators that the Canadian Bar Association did not ask that that should be done by an amendment to the British North America Act. Oh, there are those who feel that an amendment such as this should only be done by an amendment to the Constitution. The Honourable Stuart Garson, former Minister of Justice, was of that opinion, and there are many others who share his view. Many outstanding, competent, renowned, eminent lawyers, well versed in constitutional law, are sure that this should be done in Canada, and there are other equally emiment lawyers who take another attitude. When there is this difference of opinion, I say that the Government should go to the Supreme Court of Canada and get its opinion.

Hon. Mr. Farris: Hear, hear.

Hon. Mr. Macdonald: The Supreme Court of Canada can state whether in its opinion the Parliament of Canada has that right.

The Canadian Bar Association, meeting at Hotel Vancouver, in Vancouver, on September 4, 1959, passed the following resolution:

> Resolved that the Canadian Bar Association reiterates its recommendation for the compulsory retirement of superior court judges at the age of 75 years, and suggests that the question whether Parliament has, under the British North America Act No. 2, 1949, power to amend the Constitution of Canada to so provide be submitted to the Supreme Court of Canada.

When that resolution was passed Parliament was not in session. The Government could have made that reference to the Supreme Court of Canada, but it did not do so then. Parliament assembled on January 15, 1960, and while Parliament was in session the Government could have made that reference. The opinion would have been given, and we would have known now whether or not we had to go to England to get this change in the law respecting tenure of office of superior court judges. It is clear that the Government has had plenty of time to do this, but it has done nothing about it. The Government evidently felt it was not important enough during the past six months to make a reference to the Supreme Court of Canada to determine this very vital question. I say there is absolutely no excuse for the delay.

However, the point I wish to make is that we should never go to another Parliament and humbly pray that it should amend our Constitution if we have the power to make the amendment ourselves. We who boast of being a free and independent nation within a group of nations which go to make up the Commonwealth of Nations, cannot by our own action change in every respect our own Constitution. It is a most striking fact, and I emphasize this, that, as most honourable senators know, Canada is the only nation in the Commonwealth of Nations which cannot amend its Constitution, and therefore we remain in a subservient position to the British Parliament.

Honourable senators, the other day when the Leader of the Government (Hon. Mr. Aseltine) was speaking I stated that I inferred from what he said that a measure would soon be brought down in Parliament whereby our Parliament would be enabled to amend our Constitution in every respect.

Hon. Mr. Aseltine: I didn't say that. I said I hoped.

Hon. Mr. Macdonald: My friend did not say that. I was wrong when I said so. However, he should not be put out about it, because it was his leader, the Prime Minister of our country, who said it, and I think he should be flattered that I mistook the Prime Minister's words for his own. What the Prime Minister said was this:

> It is to be hoped that the time will not be too long delayed when we will arrive at a point where we will be able within our own country to arrive at a basis for the amendment of our Constitution agreeable to all and within the constitutional limits of sections 91 and 92.

That has been reiterated by the Minister of Justice. All I can say to them is, the sooner it is done the better.

Hon. Mr. Higgins: I wonder if the honourable Leader of the Opposition (Hon. Mr. Macdonald) could tell us how it can be done.

Hon. Mr. Macdonald: Oh, the Prime Minister will tell us how it can be done. I have every confidence in his words, when he says that he hopes that day is not too far distant. It is not my place at this time to say how it can be done, but when that time comes, and if it ever should become my responsibility to say how it will be done, I will be only too happy to do so. I am not prepared to discuss that point any further at this time. I do not mind interruptions, but I do not think this intervention has particular reference to the matter under debate.

Now let me come to the resolution itself. There are two aspects to this resolution. One proposes that judges of the superior courts, whether appointed before or after the passing of this resolution, should be retired at the age of 75.

The other proposal is that as far as judges of the county and district courts are concerned, who are now retired under the County Courts Act at the age of 75, the provision for their retirement should be taken from the County Courts Act and brought into the British North America Act.

I will deal with the first matter which I mentioned, that is the question regarding the retirement of superior court judges at 75. I have already said that the approval of the Canadian Bar Association has been given to this proposal, and in fact representations have been made over the years by the Canadian Bar Association in its support. Approval of the proposal has been obtained from the Governments of all the provinces. When I say Governments, I would refer honourable senators to the letters which have been written by the Attorneys General of the provinces, and I take it that when the Attorney General of a province writes a letter he is speaking for the Government.

I should also point out that this very resolution was approved by the Legislature of the province of Quebec and by the Legislative Council of that province in the exact terms in which we have it today.

The Canadian Bar Association, as I have said, has been making representations over the years. I do not intend to read all these representations. They go back to 1936, when a proposal was made regarding the retirement of judges and for the payment to them of their full salaries after retirement. There is quite a memorandum with respect to that matter dated May 4, 1937. Honourable senators will see these letters and these resolutions in the *Minutes of the Proceedings* of the Senate of Canada for June 29, 1960, at pp. 602c and following.

At the midwinter meeting of the Council of the Canadian Bar Association, at Montreal, in 1944, a resolution was passed as follows:

> That each judge of the supreme courts of the provinces whether heretofore appointed or hereafter to be appointed, shall cease to hold office upon attaining the age of 75 years, or immediately if he has already attained that age.

On September 3, 1949, at Banff, at the annual meeting of the Canadian Bar Association, a resolution was presented by W. S. Owen, K.C., who subsequently became President of the Association. The preamble to the resolution reads:

> Whereas it is in the interests of the proper administration of justice that judges of all Courts be retired at the age of 75 years, . . .
>
> Now therefore be it resolved that it is the considered opinion of The Canadian Bar Association that judges of all Courts should be retired at the age of 75 years.

On September 22 of the following year, 1950, there was a joint meeting of the Canadian and American Bar Associations at Washington. A resolution was passed at that time also that judges of all courts be retired at the age of 75 years.

Then there is a letter from the office of the President of The Canadian Bar Association at Vancouver, written June 13, 1952, by J. A. Clark to Mr. Garson, in which Mr. Clark said:

> I presume that it would require an amendment to the British North America Act to provide for compulsory retirement other than Supreme Court of Canada and county and district court.

Notice that, honourable senators: J. A. Clark, President of The Canadian Bar Association, in Vancouver, on June 13, 1952 said he presumed there would have to be an amendment to the British North America Act with respect to the retirement of all judges, except judges of the Supreme Court of Canada and of county and district courts.

Hon. Mr. Farris: What year was that in?

Hon. Mr. Macdonald: That was on June 13, 1952.

Then there is a letter written on January 23, 1953 from Quebec by André Taschereau, who I believe subsequently became President of the Canadian Bar Association and is now a judge of the Appeal Court of Quebec. It is interesting to note what he said in writing to Mr. Garson:

> I entirely share your opinion to the effect that compulsory retirement of judges of provincial superior courts is not possible unless the British North America Act is amended accordingly.

There is one opinion of a judge who thought there should be an amendment to the

British North America Act with respect to the retirement of superior court judges. He goes on to say:

But I do hope that, in a not too distant future, our Constitution may be so amended as I believe, with many others, that, though there are some notable exceptions, most of the judges, after the age of 75 years should, in the best interests of the administration of justice, be replaced by younger men.

I am sure that Mr. Justice Taschereau, now that he is on the bench, still shares the opinion which he gave on January 23, 1953.

I do not want to delay honourable senators too long. There is another resolution of the Bar Association, dated September 12, 1953.

Then there is a letter from D. Park Jamieson, who was President of the Canadian Bar Association in 1955. He wrote on March 10, 1955 to Mr. Garson, enclosing a resolution, passed on September 12, 1953, which asked the Government to take such steps as may be necessary to bring about the retirement of judges at the age of 75. I would ask honourable senators to notice the last two paragraphs of his letter.

This subject was again considered at the Mid-Winter meeting of the Council of the Canadian Bar Association last week and I was instructed to report to you upon the result of our inquiries and to urge upon you that action should be taken to bring about the retirement of judges at the age of 75 years.

I have found that the members of the association all across Canada consider that this matter is an urgent one and that, in the interests of the administration of justice, action is required thereon.

Hon. Mr. Brunt: What is the date of that letter?

Hon. Mr. Macdonald: March 10, 1955.

I should perhaps refer to the resolution passed at a meeting held in Montreal on September 8, 1956:

Resolved that the Canadian Bar Association recommend that the Government take such steps as may be necessary to bring about the retirement of judges at the age of 75 years.

Then there is the resolution to which I have already referred, which was adopted at Vancouver on September 4, 1959, reiterating the recommendation of the Canadian Bar Association for compulsory retirement of superior court judges at the age of 75 years, and suggesting that the Government find out as soon as possible whether Parliament has the power to amend the Constitution to bring this about.

Honourable senators, at the present time when a judge retires he receives a pension equal to two-thirds of the salary which he received in 1955. On this question I must come to a decision, and give my own opinion, as to whether judges should be retired at the age of 75. At the present time judges of the Supreme Court of Canada, by an amendment passed to the Supreme Court Act in 1927, are required to retire at 75; and judges of the county courts, by a provision of the County Courts Act, are required to retire at the age of 75. The judges of the provincial superior courts are not required to retire because of age.

So we have in Canada two provisions with respect to retirement of judges. The judges of our highest court, the Supreme Court of Canada, must retire when they attain the age of 75 years, and the judges of the lower courts, the county courts, must retire at that age.

Hon. Mr. Brunt: Do the judges of the Exchequer Court not also retire at 75?

Hon. Mr. Macdonald: I should add that the judges of the Exchequer Court also retire at that age. But the judges of the superior courts retire when they feel so inclined, or when they are removed from office, which is seldom done. We cannot be right in both provisions: judges either should be retired at the age of 75, or they should not be retired at 75. Are we wrong when we say the judges of the highest court should retire at 75, and that the judges of the county courts should retire at that age? I do not think so. I think we are right in both those instances. If that is so, we cannot also be right in retaining judges of the superior courts of the provinces on the bench after they attain the age of 75.

Hon. Mr. Crerar: No one quarrels with that.

Hon. Mr. Macdonald: I don't know. I certainly don't quarrel with it, and I am glad my friend sees fit to agree with it.

I would point out again that the provinces have asked for this amendment. The Canadian Bar Association has asked for it. Mr. Lapointe, back in 1927, asked for it. The Right Honourable R. B. Bennett asked for it; and Mr. Garson, when he was Minister of Justice, asked for it.

I agree with the viewpoint of the provinces, the Canadian Bar Association, and those distinguished parliamentarians whom I have mentioned. The only question which arises is, should we retire judges who have been appointed for life, or should this amendment refer only to judges to be appointed hereafter?

Honourable senators, from what I have read to you, you must realize that the members of the Canadian Bar Association feel that this is an urgent matter. They did not specify it for future appointments, but said that something must be done now. It is true that the judges of the superior courts, when appointed, were appointed for life. But it is the opinion

of lawyers who practise before the courts every day that such a provision should not continue in effect.

I feel with them that a change must be made, but in making that change we must be fair with the judges who are being retired. The question that bothers me is to what extent we should go in trying to be fair to the judges who are being retired. Shall we be fair to them if we approve the provisions of the Judges Bill, which will be considered in this house in the near future?

As I have said, at the present time when a judge retires he receives a pension equal to two-thirds of the salary which he received in 1955. Even though this is a non-contributory pension, many feel that a pension of that amount to a judge who is compulsorily retired would be grossly unfair. That was the attitude taken a few days ago by the Opposition in the other house. If honourable senators will look at the *Votes and Proceedings* of that house they will note that a motion to strike out the reference to judges already on the bench was moved, but did not carry. I would point out to honourable senators that when that motion was made by the Leader of the Opposition he did not know what the provisions were with respect to pensions in the proposed amendments to the Judges Act. He said he thought it was unfair to retire judges compulsorily under the provision of the Judges Act by which they receive two-thirds of their 1955 salary. I am not saying it was on account of representations made by the Leader of the Opposition at that time, but it is to be noted that after he spoke on his motion a bill to amend the Judges Act was brought down which would increase judges' pensions considerably.

Hon. Mr. Brunt: I think the amendment was prepared before he spoke.

Hon. Mr. Macdonald: I do not know whether it was prepared before or not, but it is a fact that after he spoke the pensions of judges to be retired under the proposed resolution were increased.

Probably honourable senators will be interested to know that since 1955 judges' salaries have been increased by $2,500. Judges' pensions will, therefore, be increased by a little over $1,600. The salaries of judges of the superior courts are now $16,900, so that upon retirement at 75 a judge will receive two-thirds of that amount, namely $11,266.

There are some who contend that a judge appointed prior to the passage of this resolution should on retirement receive a pension, not of $11,266 per annum, but an annual retirement allowance equal to his salary of $16,900. The Opposition in the other house took that attitude, and the method adopted it that house to bring the pension of a judge forced to retire at 75 into line with his salary was the motion to strike out the reference to judges appointed prior to the passage of this resolution.

I am not in any way disapproving of the method that was followed in the other house, but I do not think that method should be followed in this house. The amendment moved in the other house was defeated. It would be useless for us to move a similar amendment here, because I am sure it would also be defeated. The result would be that the proposal to retire judges at 75 would be defeated, and I feel it would not be in the interests of the country to defeat that proposal.

In my opinion the method to be adopted in this house is to make representations when the Judges Bill comes before us. I realize, honourable senators, that we are powerless to pass an amendment to that bill which would increase expenditures, but we can make strong representations. I feel that is the only thing we can do. I do not feel we should defeat this resolution with respect to the retirement of judges, and therefore, in my opinion, we have only one alternative, namely, to put pressure on when the Judges Bill is before us. That is what was done in 1927. Honourable senators will recall that in that year the Right Honourable Ernest Lapointe, then Minister of Justice, brought in legislation by which judges of the Supreme Court of Canada were retired at the age of 75. The Right Honourable R. B. Bennett took the attitude that there was a contract with the judges and that their retirement should not be effected in that way. Mr. Lapointe resisted that attitude, the bill passed, and some judges of the Supreme Court of Canada were retired that year on a pension based on two-thirds of their salary.

Hon. Mr. Aseltine: Is it not true that only a few were involved? In this instance there are many hundreds.

Hon. Mr. Macdonald: I do not know that that affects the principle. There are not many hundreds involved. Indeed, there are only 168 judges in the superior courts now, of whom only 12 are over 75 years.

Hon. Mr. Aseltine: I was referring to all judges.

Hon. Mr. Macdonald: The point I am making is that in 1927 Mr. Lapointe resisted the appeal for the payment of judges' salaries by way of pension to those who were being retired. But representations continued to be made to him by way of proposals for amendment of the Judges Act.

Hon. Mr. Aseltine: That is correct.

Hon. Mr. Macdonald: My friend the honourable Leader of the Government (Hon. Mr. Aseltine) did not mention this when he was speaking the other day.

In 1930 an amendment to the Judges Act provided that judges who were compelled to retire should receive their full salaries for the balance of their lives.

Honourable senators, I have stated how I feel about this matter. I do not think there is any other method that we could adopt at this time with respect to the retirement of judges than what is proposed here, and if the resolution is adopted those of us who feel that retired judges should receive not two-thirds of their salaries, as they are entitled to under the present law, but their full salaries for the rest of their lives, should do our utmost to see that they get it.

Now let me turn to the second part of the humble presentation to Westminster. It provides that judges of the county and district courts who are now retired at 75 by virtue of the County Courts Act should be taken out from under the County Courts Act, enshrined in our Constitution, and put for all time to come under the British North America Act, so that if at any future time Parliament wished to deal with the age of retirement of district and county court judges it would be required again to make a humble address to Her Majesty praying that the United Kingdom Parliament amend the British North America Act.

Can any honourable senator think of a more retrogressive step in our march toward complete control of our own affairs? Is this not complete abnegation? Here we are on the eve, I hope, of the day when we can amend our own Constitution in every respect; here we are, taking pride in our maturity and our nationality, and in our right to let our voice be heard in the councils of the world, and at the same time we are making a humble address to Her Majesty that she may be graciously pleased to cause a measure to be laid before the Parliament of the United Kingdom which would add to the provisions of the British North America Act and thereby give to the imperial Parliament even more power over our affairs than it has at the present time. We take pride in the progress we have made over the years from the days when we were a colony to the present time when we are a nation, but, honourable senators, by adopting this proposal we shall be moving backward instead of forward; we shall be reversing our progress; we shall be taking a retrograde step. Instead of continuing our progress from colony to nation, it may well be asked if we are not now going from nation to colony.

Since 1882 judges of the county and district courts appointed under the provisions of the County Courts Act have retired according to the provisions of that act. The age of retirement at first was 80 years, but in 1912 it was fixed at 75 years, and judges of the county and district courts have been retired at that age ever since. The honourable Leader of the Government said in this house the other day there was some doubt in the minds of constitutional lawyers as to whether the Government had power under this act to retire judges of the county and district courts at 75 years of age. I wonder, and I ask him, who those constitutional lawyers were or are. Certainly one of them was not the Right Honourable Ernest Lapointe.

Let me go back to the bill that was passed in 1927. The then member for Simcoe, Mr. Boys, a member of the Opposition—honourable senators will find this reference at page 1080 of the House of Commons *Hansard* of 1927—asked Mr. Lapointe this question:

> Is there any special provision in the British North America Act with respect to the retirement of county court judges?

The then Minister of Justice replied:

> No.

Mr. Boys went on to ask:

> Is it suggested that such legislation was *ultra vires*?

The then Minister replied:

> No, not at all. Section 99 applies only to the judges of the superior courts.

He went on to add:

> There is nothing in the British North America Act preventing us from dealing with the tenure of office of county court judges.

I have read a number of letters which were written by the Canadian Bar Association with respect to the retirement of superior court judges at the age of 75 years, and there is not one request from the association to have judges of the county courts included in the provisions of the British North America Act. That body has never questioned the right of Parliament to retire judges at 75 years under the County Courts Act. The county court judges themselves meet annually year after year, and not once have they raised this question; not once have they suggested that it was not within the power of the Government of Canada to retire them under the County Courts Act at 75 years of age.

I have made a complete search, and I have not been able to find any article or written opinion of any lawyers, constitutional or otherwise, who has questioned the right of the federal Government to fix the retirement age of county court judges. From the first appointment of county court judges, in 1882,

up to the present time, no one to my knowledge, except the present Minister of Justice, has questioned the regularity of the provisions regarding their compulsory retirement at 75 years of age.

But even if there is some uncertainty as to the present legislation, which I certainly am not admitting, but rather am denying, is that any reason why on the eve of the repatriation of our Constitution we should strengthen the legislation of the imperial Parliament with respect to county court judges? After almost 80 years of no question as to the regularity of the present legislation, surely we can wait until the time when —to use the words of the Prime Minister— "we will be able within our own country to arrive at a basis for the amendment of our Constitution".

Honourable senators, I have very little more to say. I have referred, probably too fully, to both aspects of this resolution because I feel that it is a very important resolution. The portion of the resolution which troubles me most is this portion which will give the imperial Parliament more power over the legislation of Canada than it has today. If the Government does feel that a change is desirable, even if not essential, let us not go to the imperial Parliament at this time; rather, let us wait until the day, which the Prime Minister has said is not far distant, when we ourselves can amend our Constitution.

In conclusion, I repeat that the proposal to enshrine in the Constitution the provisions respecting the retirement of district and county court judges is a backward and most regrettable step, and one which the Government of this day should not advance and should not ask us to accept.

Hon. J. W. deB. Farris: Honourable senators, the honourable Leader of the Opposition (Hon. Mr. Macdonald) in his opening referred to the new Senator MacDonald and said that there are now four senators of that name. I remember when there were four MacDonalds on the bench of British Columbia, and I was appearing before the Privy Council when the reasons for judgment of one or more of this number were being considered. Lord Shaw said: "How many MacDonalds have you on the bench out in British Columbia?" I told him that we had four. "It is a lucky province", he said. So I congratulate our new member and I congratulate ourselves upon having another MacDonald in our ranks.

I have listened with keen interest to my honourable leader (Hon. Mr. Macdonald) and I have read with the same interest the speech made by the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine). I regret I cannot agree with all my own leader has said, but I get consolation from the fact that I can agree with what the Leader of the Liberal party for all of Canada said in the other house.

This is an extremely important matter that we are considering and as far as I am concerned I feel that the principles involved here—and they have not all come out yet—are among the most important to affect the obligations of honourable senators in the 23 years I have been a member of this house.

This resolution proposes to do three main things. It is a petition addressed to Her Majesty, not to confer any authority on this Parliament to deal with these problems but rather to have legislation laid before the Parliament of the United Kingdom affecting and amending our Constitution. It does three things which we must consider here. By implication it challenges the right of our Parliament to deal with the age limit for county court judges because, to use the expression of my honourable leader, that right is now proposed to be enshrined in the legislation of the United Kingdom. I would think it more appropriate to say that it proposes to take control of the age limit of county and district court judges out of the Parliament of Canada and freeze it in that part of our Constitution which still remains in the exclusive power of the British Parliament.

The resolution also deals with the age limit of superior court judges and proposes that they shall cease to hold office upon attaining the age of 75 years. Let there be no mistake about this. As far as I am concerned, and as far as any honourable member to whom I have talked is concerned, there is no challenge about this as to future appointments. Apparently it is something that the public wishes. The wonderful organization of which I was once president, the Canadian Bar Association, has evidently received a status in this house that I never knew it to have before, because we are told it is in favour of this resolution. The Attorneys General and the province of Quebec are in favour of it. The resolution goes further and provides that this amendment shall apply retroactively and constitute a breach of the solemn contract with the judges.

There is still another thing it does, and I am going to talk at some length about this a little later but I want to get the picture before you as I see it now. I think most honourable senators will recall that only 11 years ago, in 1949, we asked the imperial Parliament to pass, as it did, an amendment to our Constitution which I have no doubt gives us the power today to deal in our own

Parliament with the age limit for judges. I am going to develop this at some length and cite the authorities as I see them in that connection. So I say that not only are the rights in connection with our dealing with county court judges unnecessarily frozen into the imperial Parliament, but I have no hesitation in saying that the same thing is being done in regard to superior court judges.

I agree with what my honourable leader (Hon. Mr. Macdonald) said about interfering with the understood law in regard to county court judges. I hope that before I get through he will agree with me that the same thing applies to superior court judges, but I am not so sure I am going to succeed, for at times he can be very stubborn.

Hon. Mr. Macdonald: And my honourable friend can be very convincing.

Hon. Mr. Farris: Well, I need to be sometimes.

If my speech reads as well as I hope it will I shall send copies of it to certain people. In order that these people will not have to read other speeches I will state for the record that this proposal makes provision for the future appointment of judges of the superior, district and county courts and that they shall cease to hold office upon attaining the age of 75 years, that it contains a retroactive provision so that the retirement age of 75 will apply to judges who have already attained this age upon the coming into force of this law, and that it proposes to embody the power of fixing the retirement age of county court judges, which has always been recognized since 1912, and possibly before that, as being within the right of the Parliament of Canada.

I wish to explain to my colleagues who are not lawyers that we have three classes of judges to consider. First, the judges of the Supreme Court of Canada. These judges do not come within the provisions of the Constitution in regard to superior court judges. Section 99 deals with the judges of the superior courts. In my province, that means the Supreme Court of British Columbia and the Court of Appeal for British Columbia. Other provinces designate them by other names, but they are all included in the general term, the superior courts, which means the higher courts in each province. Section 99 says:

> The judges of the superior courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

There is no question about it, therefore, that good behaviour is the only determination, unless there is an address of both houses, and that would apply only to cases of incompetence or misbehaviour.

At the time of Confederation there was no Supreme Court of Canada, and section 101 is the only section that provides for it:

> The Parliament of Canada may, notwithstanding anything in this act, from time to time, provide for the constitution, maintenance, and organization of a general court of appeal for Canada, and for the establishment of any additional courts for the better administration of the laws of Canada.

That section provides for what was subsequently done by our Parliament, the creation of the Supreme Court of Canada and of the Exchequer Court. It follows, therefore, that the Supreme Court of Canada is entirely a creature of our own Parliament; and our own Parliament has always had full jurisdiction in regard to appointments to that court and the tenure of office, whether until 75 years of age or any other age. There has never been any question about that, because there is no limitation at all of that in the British North America Act.

County court judges are classed with superior court judges in only one provision of this act, namely, section 96:

> The Governor General shall appoint the judges of the superior, district and county courts in each province, except...

The exceptions given are not material. Of course, when a section says "Governor General", that means the Governor General acting on the advice of his ministers.

In the foregoing provision there is not a word about the tenure of office of county court judges. Section 99 provides that:

> The judges of the superior courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

There is not a word there about tenure of office in regard to county court judges, and every lawyer who knows anything about it has always considered that means it has been part of the jurisdiction of the federal Parliament. If there is any doubt about it, honourable senators, it would be sensible not to refer the matter to Great Britain, but to go across the road just a little way to the Supreme Court of Canada.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Farris: We have a statute in British Columbia, and there is a similar federal statute, known as the Constitutional Questions Determination Act. Frequently, the provinces submit questions to their courts of appeal, and there is a final appeal to the Supreme Court of Canada. In federal matters, the Government of Canada has, under its Constitutional Questions Determination Act, the power to refer the questions directly to the Supreme Court of Canada. The court's decisions are binding on Canada. Make no

mistake about that. In some years, few months go by but the Government refers questions of that kind to the Supreme Court of Canada. If this question can be referred, why has that not already been done? I am going to ask the same question a little later on about the superior court judges.

Honourable senators, have I made it clear that we have three types or classes of judges? We have the Supreme Court of Canada and the Exchequer Court, which are exclusively within the jurisdiction of the dominion, and always have been; we have the county court judges, of whom there is not a word about age limit in our British North America Act; and we have the superior court judges, concerning whom section 99 provides that they are appointed for life during good behaviour. Let us keep that in mind.

Hon. Mr. Euler: May I ask my honourable friend a question?

Hon. Mr. Farris: Yes.

Hon. Mr. Euler: I think he stated that the appointment of supreme court judges is within the power of the Parliament of Canada. Can they not be appointed by the Executive?

Hon. Mr. Farris: Oh, yes, of course. The Executive may appoint, but Parliament gives the power.

Hon. Mr. Euler: But the appointments do not have to be ratified by action of Parliament?

Hon. Mr. Farris: Oh, no.

Hon. Mr. Monette: Would the honourable senator allow me a question?

Hon. Mr. Farris: Certainly.

Hon. Mr. Monette: I understood him to say with regard to the third class of judges, that is, superior court judges, that he includes within this class judges of the court of appeal as well. Would the honourable senator state if there is a distinction in his mind between judges of the Superior Court, as we call it in the province of Quebec, which is the highest trial court, and judges of the province's court of appeals, called the Court of Queen's Bench? Would he consider that the judges of both courts come within the category of superior court judges?

Hon. Mr. Farris: I would think so. I would prefer to accept the opinion of my honourable and learned friend himself or of my honourable and learned friend next to me (Hon. Mr. Hugessen) on that question. However, I think that is right. The same thing applies in British Columbia. We have the Supreme Court, as we call it. I think it is unfortunate that name has not been changed, because that is our trial court. Then we have the Court of Appeal of British Columbia, which is also a superior court. The judges of both courts come within the term superior court judges. They have always been, and still are today, appointees for life during good behaviour. There is no question about those facts, and no one in this house, certainly none of the lawyers here, will dispute them.

Honourable senators, I now approach what I think is a most serious problem—I know it is to me, when I consider my own views —and that is, should there be a retrospective provision—

Hon. Mr. Croll: Do you mean a retroactive provision?

Hon. Mr. Farris: Whichever term is used, it means the same thing; they are both right. However, for the benefit of my honourable friend—should there be a retroactive provision which would, in my submission, constitute a deliberate breach of a contractual obligation on the part of the Government of Canada?

Honourable senators, I do not want to labour these questions but I may have to come pretty close to doing that to make my points clear.

The first thing we want to ask ourselves is, what does the judges' commission say? I have a copy of a commission here, in blank. For purposes of this discussion I consider this a very valuable document. Instead of the name of any judge we will use that name familiar to lawyers, John Doe, and we will suppose that John Doe is being appointed to, let us say, the Supreme Court of British Columbia or the Supreme Court of Ontario.

Now, let us see what judges are given—and this has been given to several judges since the new Government came into power. Here is the signature of the Governor General. It is done in the name of Her Majesty, Elizabeth II, by the Grace of God of the United Kingdom, Canada and her other Realms and Territories, Queen, Head of the Commonwealth, Defender of the Faith.

What is the next thing on this commission? The Great Seal of Canada. Lawyers will tell you that documents under seal are the most solemn kind of documents that can be made. Lawyers will tell you, and you really don't need to be told, that a document under the Great Seal of Canada is the most binding kind of an obligation that can be imposed on the nation.

Over at the left is the signature of the Attorney General of Canada. The Attorney General of Canada happens to be the Minister of Justice. Don't forget that word "justice" when considering this matter or if you ever have any occasion to look up the argument he has made on this matter. The signature

of the Minister of Justice, Mr. Fulton's signature, has been on these commissions since the present Government came into office. I will read the commission:

To John Doe, Esquire, one of Our Counsel learned in the Law, of the city of—Let us say—Chilliwack, in the province of British Columbia.

Know you that, reposing special trust and confidence in your loyalty, integrity and ability, we did on the first day of July in the year of Our Lord one thousand nine hundred and fifty-nine and in the eighth year of Our Reign constitute and appoint you, the said John Doe, to be a Judge of the Supreme Court of British Columbia.

Now, listen to the next paragraph, and you cannot get away from this:

To have, hold, exercise and enjoy the said office of Judge of the Supreme Court of British Columbia with all and every the powers, rights, authority, privileges, profits, emoluments and advantages unto the said office of right and by law appertaining during your good behaviour.

There you have it, "during your good behaviour", which means for life unless he commits some offence that justifies his expulsion.

In testimony whereof we have caused these Our Letters to be made patent and the Great Seal of Canada to be hereunto affixed.

Witness: Our Right Trusty and well-beloved Counsellor—Member of Our Order of the Companions of Honour, Governor General and Commander-in-Chief of Canada.

At Our Government House, in Our city of Ottawa this first day of July in the year of Our Lord one thousand nine hundred and fifty-nine and in the eighth year of Our Reign. By command, Secretary of State of Canada.

I invite any lawyer who ever had experience in constitutional law to tell me if there is any more solemnly executed document than that. And I invite him to say if there is any document in existence that can more solemnly bind a nation than that commission.

And what are we doing? I am jumping ahead but it comes in well here. What are we doing? We are not asking Her Majesty to give us the power to do our own dirty work in breaking this contract; we are asking Her Majesty and the Parliament of Great Britain to break the contract. I wonder just what Her Majesty and her advisers will think if this petition goes through and they have before them a request for legislation that on its face is an absolute breach of this solemn document executed in the name of Her Majesty. For we are petitioning her in the name of that same majesty, Her Majesty, to take steps to have this contract broken.

What justification is offered for that? Have honourable senators heard any speeches in this house or read any expressions of opinion in the other house that justify on the ground of necessity the presentation of an address to Her Majesty praying that this solemn contract should be broken? I have not found any.

I will not quote from the speech made by the Leader of the Government (Hon. Mr. Aseltine) when he introduced this petition because most of you heard it. I cannot find any justification for this petition there. He goes back into ancient history—ancient for our purposes—to 1927, and as the honourable Leader of the Opposition (Hon. Mr. Macdonald) has already stated, in 1927 the Right Honourable Ernest Lapointe, with the absolute jurisdiction that the Canadian Parliament had over the Supreme Court of Canada, brought in legislation that limited the ages of judges already appointed to the age of 75. In my submission that constitutes a breach of confidence, and that is about the only justification for this petition that I can find offered in my honourable friend's speech. He did not tell you that three years later Mr. Lapointe realized what an injustice he had done, and in 1930 he brought in legislation which, in so far as it was then possible to do so, cured that situation.

Hon. Mr. Macdonald: I mentioned that.

Hon. Mr. Farris: Yes, I know you did.

I am always glad when I can find something on which my friend and I are still in complete agreement. I looked up the debates of 1930, in which Mr. Lapointe declared that he had seen the error of his way and acceded to what the Opposition, including Mr. Cahan and Mr. Bennett, had said.

I must say that I am a little bit amused at my honourable friend's thinking that, because Mr. Lapointe saw the error of his way, that is a good assurance that in due time Mr. Diefenbaker also will see the error of his way. I should have thought that if he were going to do that he would have done so at this very time when there is an amendment pending to the Judges Act that does not meet the situation. I shall speak more fully about that later on.

I took my own notes from Mr. Lapointe's speech in the records in the library. I refer first to the 1930 *Hansard* of the House of Commons at page 1777, where Mr. Lapointe's speech is reported. I read from my notes:

Bill provides an annuity equal to his salary at the time he ceased or ceases to hold office—

That would be under the act of 1927.

—may be granted to a judge of the Supreme Court or Exchequer Court who held office March 31, 1927 and continued to hold office while 75 years of age. He stated—

And listen to these words:

—that when the 1927 act was passed some members felt that it was not fair to deprive them at the age of 75 of part of their salary as they had been appointed for life, and that the least we could do if compulsory retirement was desired was to respect what my honourable friend called a contract—

He is referring to his honourable friend, Mr. Bennett.

—or agreement to give them an allowance equal to their full salary. I must say that I have been reconsidering the matter. I have found that there is much force in that contention. The proposed legislation will provide for pensions equal to their salary.

I do not recall that my honourable friend included that in the information that he gave this house when he moved this resolution.

Honourable gentlemen, I submit to you—and to the honourable ladies in this house, even more so—that there is no finer type of statesman than the man who, having been attacked, frankly comes forward and says, "You were right and I was wrong", and makes an amendment. Mr. Lapointe made the only amendment he could make on his reconsideration, that was as to salary. There were other things he could not do.

I know judges whom I admire, who are approaching or are already at 75 years, whose lives are given to the public service as judges—and let me say there is no more noble or finer calling a man can have than that of a judge. They accepted appointment not merely for the salaries they would receive. I know, in fact, of appointment of persons to the bench whose judicial salary is not half what they were making in the practice of law. So, salary alone is not the compensation. But this was all Mr. Lapointe could do at that time. The damage had been done. Now we are considering the question before the damage is done.

We should remember the pride that comes from a useful occupation; pride in a high calling and a responsible office is meritorious. A man who has the profession of a judge has that pride, yet you would take him and chuck him out as rubbish. You can't make compensation for that kind of treatment.

I am getting to a position where—if I may refer to my position as a member of this house—I have not the least interest in my salary as a senator. By the time I pay for my accommodation and that of my wife at the Chateau Laurier, for extra taxis that are required, for my travelling expenses from Vancouver to Ottawa, and add the loss of business that is bound to result from absence from my office, and the extra income tax that results when my Senate salary is combined with other income for taxation purposes, I find that I would be a mighty lot better off financially if I were not a member of the Senate and did not receive one dollar from it. But, honourable senators, I have a great pride in being a member of the Senate. I think a senatorship is one of the highest offices, if not the highest, that any man or woman in the dominion of Canada could desire. If I were unceremoniously chucked out of this house on the ground of old age—and I suppose senility goes with it—I would be so angry that I would want to kick the building over. I would regard that treatment as an insult, and no payment of money could compensate for it. Similarly, if I were a judge and had given my life to judicial work, I would if so treated feel the same way. Every senator here will appreciate the situation.

Let us turn to these statutes that my friend the Leader of the Government (Hon. Mr. Aseltine) went over so sketchily. We know what happened in 1927. I have not yet read what Mr. Bennett and Mr. Cahan said at that time. Let me say, I thought a great deal of Mr. Bennett. When I went west from New Brunswick, he came to Regina from Calgary. He was the Leader of the Opposition in the old Territorial Government. I had heard a good deal about Dick Bennett, a boy from New Brunswick who had made good in the west. I aspired to the belief that it might happen to me some time. He came down there and took me under his wing as another New Brunswick boy, and I think he got a lot of enjoyment out of helping another young fellow from the east and letting him see what Dick Bennett had done. We used to go for long walks on the prairie.

Before Mr. Bennett left Canada a dinner was given for him at the Vancouver Club, and I was honoured in being asked to make the address. I put my heart into that speech. I said that the only thing I was afraid of was that I was saying so many good things about Mr. Bennett he might think I was saying, in effect, "Sorry you must go; here is your hat."

Honourable senators, that is beside the point. However, in a minute I am going to read some of the things Mr. Bennett said, but I am going to read them out of the mouth of Mr. Lapointe in 1933. You see, there are three occasions: 1927, 1930 and 1933. Mr. Bennett in 1933 was Prime Minister of Canada. One of the members of his Government brought in a bill with respect to judges, with a fantastic sort of provision, to the effect that if a judge did not terminate his office at the age of 75 his salary would be taken away. It was a kind of retirement by blackmail. The same question, that of breach of contract, came up at that time. But by this time Mr. Lapointe was in the clear; he had made his confession, he had admitted his wrong and he had rectified it in so far as he could. He challenged Mr. Bennett. In Mr. Lapointe's opinion Mr. Bennett was no longer on the side of justice, and that is why I say I have no doubt he quoted with approval what Mr. Bennett said in 1927 and which had been the basis of Mr. Lapointe's conversion in 1930.

My honourable leader (Hon. Mr. Macdonald) said that we are doing pretty well by these judges. We are giving them two-thirds of their salary as at the time they retire. I used to argue with Mr. Garson that I could not see any sense, and I do not see any now, in having the pensions of judges based not on their salaries at the time of retirement, but on the salaries they got when appointed. Perhaps I am not entirely accurate with respect to the figures, but I am so far as the principle is concerned. The basing of pensions on the salaries of judges at the time they retire is the only sensible and decent thing to do. There should not be any credit given for putting the axe to a man who had a contract.

I will go on with what Mr. Lapointe said in quoting with approval Mr. Bennett's remarks made a very few years before:

"That judge undoubtedly has a contract with the state which entitles him to receive a salary for life or until such time as he resigns."

And at page 2952, the Right Hon. gentleman said:

"I think the Government would be well advised to consider whether or not, in all cases of this kind where a contract has thus been amended, the judge should receive full salary."

On the same page my Right Hon. friend added:

"I think we must have regard to the terms and conditions under which the original contract was made. Although it may seem out of the ordinary that a judge should draw full salary when he is retired compulsorily, nevertheless, good faith and morals—"

I call the attention of the house to those words:

"—good faith and morals, in my judgment, impose upon us that obligation, and it is an obligation which we should not lightly disregard."

Later on he said:

"I do not believe that the Canadian people would approve of our departing from the general principle that the Government must, as in times past, have respect for the sanctity of a contract made between a servant of the Crown when he entered the employment of the state."

I am going to deal a little more fully with that when I come to these slapdash resolutions that were put through by the Canadian Bar Association.

Honourable senators, that bill attempting to break the contract by denying the salary was killed in the Senate. Mr. Bennett carried it in the House of Commons, but it was rejected in this house. Does this Senate have less sense of its moral obligations as well as of its contractual obligations than the Senate of Canada had in the year 1933? So much for that.

I would ask you, and I will not tire you with the details of it, to contrast what we are asking the imperial Parliament to do with what it has done. It would not stultify itself with the kind of things we are asking it to do on our behalf. There are provisions in Great Britain and I invite my honourable friend the Leader of the Government to look them up and tell this house what they are. As I understand it, there is an option provision there.

I had the privilege this summer of meeting in Vancouver with Lord Morton, who was on a world trip. He and his wife had a day in Vancouver and they were good enough to spend it with me and my wife at our home. He said: "I have just retired, but I expect to continue doing a great deal of work in the House of Lords and the Privy Council." There is some sense to that. Provisions could be worked out. If instead of this thing being fired at us holus-bolus, without any opportunity of our considering it in committee, there could be provisions made to give the judges a choice of what they want to do after retirement it would be a much better arrangement. A provision could be drawn up so that the provincial chief justices could call on them for further service when there was a rush of business before the courts.

Hon. Mr. Burchill: Would the honourable senator permit a question? Is it voluntary retirement in the United Kingdom?

Hon. Mr. Farris: I do not know. I am asking my honourable friend to look into that.

We are not entitled to go to the House of Commons, but we are entitled to try to find out what the Minister of Justice has told Parliament and the people of Canada, and has told the Senate. What justification is there and what need is there for this, as I call it, flagrant breach of contract? One of Mr. Fulton's arguments is in connection with the present section 99 of the British North America Act, which reads:

The judges of the superior courts shall hold office during good behaviour—

As I understand him, he does not dispute that that means for life, and that "good behaviour" means the opposite of bad behaviour.

—but shall be removable by the Governor General on address of the Senate and House of Commons.

There is nobody who disputes that that address can only be invoked where there is disability or misconduct justifying a judge's being put off the bench. There have not been many such cases in Canada over the years. He has termed that a dreadful process. I do not know whether that is so or not. For instance, in the case of a man who owns much property and suffers a mental sickness, you may apply to the courts to have a committee look after his estate, and that is done without any terrible or dreadful process. It is not a nice thing to do, but the really unfortunate thing is that the poor man is in that state. If we had a judge in that condition I cannot see why that remedy should not be applied to him, and

I think any judges bordering on that same condition—I am not aware of any in Canada at the present time—would soon be stampeded into resigning.

Mr. Fulton's theory, as I follow it, is that we now have power to remove judges of the superior courts, that under section 99 of the British North America Act they

—shall be removable by the Governor General on address of the Senate and House of Commons.

Mr. Fulton suggests that all we are doing here is to bunch the superior, district and county court judges together and say that they all should retire at 75, that reaching that age is itself an offence. I know many judges and I am sure that they are at their very best between the ages of 75 and 80. If I were on the bench I would be inclined to think that my performance between 75 and 80 would be better than at any other time in my life. I would have more sense, more restraint and more sympathy than a lot of the young fellows who are impetuous and want to push the older ones out.

As I understand Mr. Fulton's position, we will claim they are all incompetent at 75 and throw them out. I cannot imagine a more insulting argument against those judges who are 75 or approaching 75 and who are in their prime and giving their life and energy in the cause of justice.

I am told Mr. Fulton cited as an authority *Reilly v. The King*, a well-known case that went to the Privy Council in 1934 on appeal from the Supreme Court of Canada. Reilly was a Liberal and perhaps that is one thing that was against him. The case, which is reported in (1934) 1 Appeal Cases, 179 and 180, is very important. Mr. Reilly had been appointed to a position on the Federal Appeal Board, and his appointment was extended for a further term of five years. Then the federal Parliament in its wisdom decided to abolish the Federal Appeal Board. This left Reilly without a job and consequently he sued the Government for damages. The Privy Council held that Reilly did not have a contract, but that when a man is given a public contract for a certain appointment and Parliament in its wisdom decides that that position is no longer in the public interest, it does not have to keep the appointment open merely to provide that person with a job. There is a complete distinction between that case and the present one. In the case of *Reilly v. The King*, Mr. Justice Orde, who was a judge *ad hoc* at that time, wrote the judgment in the Supreme Court of Canada. Mr. Justice Maclean was the judge in the Exchequer Court which first tried the case. Let me read what Lord Atkin, who was a great judge in England, said in his judgment:

Maclean J. concluded that the relation between the holder of a public office and the Crown was not contractual. There never had been a contract: and the foundation of the petition failed. Orde J.'s judgment in the Supreme Court seems to admit that the relation might be at any rate partly contractual; but he holds that any such contract must be subject to the necessary term that the Crown could dismiss at pleasure. If so, there could have been no breach.

Their Lordships are not prepared to accede to this view of the contract, if contract there be. If the terms of the appointment definitely prescribe a term and expressly provide for a power to determine "for cause"—

This provision I have read to the house in section 99 as it now exists.

—it appears necessarily to follow that any implication of a power to dismiss at pleasure is excluded. This appears to follow from the reasoning of the Board in Gould v. Stuart.

That was another earlier case before the Privy Council.

On page 180 Lord Atkin says this:

But the present case appears to their Lordships to be determined by the elementary proposition that if further performance of a contract becomes impossible by legislation having that effect the contract is discharged. In the present case the office held by the appellant was abolished by statute: thenceforward it was illegal for the executive to continue him in that office or pay him any salary: and impossible for him to exercise his office. The jurisdiction of the Federal Appeal Board was gone. The position, therefore, seems to be this. So far as the rights and obligations of the Crown and the holder of the office rested on statute, the office was abolished and there was no statutory provision made for holders of the office so abolished. So far as the rights and obligations rested on contract, further performance of the contract had been made by statute impossible, and the contract was discharged.

No such condition exists here. No court is being abolished. These men will be put out of office by a deliberate provision, if this resolution carries and the Parliament of the United Kingdom accepts it. I am not at all sure that the United Kingdom Parliament will accept it, because I feel sure that some of the men I know over there, and about whom some of you have read, will be shocked at the idea that we are asking them to legislate for us in a way they would not do for themselves, and that is to break a contract.

I want to come now to the argument that has been somewhat laboured by my honourable leader this afternoon about the support that this resolution has got from two very distinguished bodies, one of which is the Canadian Bar Association and some of its past presidents. I know some past presidents who do not agree. I happen to be one of them. I will not bother naming others, for they might not wish me to. First of all, let us consider the support given by the provinces. There is on file Mr. Fulton's letter to each Attorney General, and their replies. I

found these in the *Votes and Proceedings* of the House of Commons of February 16 last, and I wrote to our Attorney General in British Columbia. I say "our" not in the sense that I lay any claims on him, but that he is the Attorney General. Incidentally, I was at one time the Attorney General for British Columbia. I have no complaints about the present Attorney General, Mr. Bonner. He is young, and he is conscientious. Like myself, he was appointed in his forties, but much earlier in the forties than I was.

On February 18 I wrote to Mr. Bonner, and I want to put on record this letter and his reply. My letter reads as follows:

Dear Mr. Attorney,—

I note as an appendix to the "Votes and Proceedings" of the House of Commons on February 16, that the correspondence of the Minister of Justice with the Attorneys General of all the provinces, relative to amending the B.N.A. Act to provide for the retirement of Superior and County Court Judges at the age of 75, is published.

The notice of motion in the Senate "Votes and Proceedings" by the Senate Leader of the Government in connection with this subject, has as paragraph (2) a provision as follows:

"A Judge of a Superior or County Court, *whether appointed before or after* the coming into force of this Section, shall cease to hold office upon attaining the age of 75 years or upon the coming into force of this Section, if at that time he has already attained that age."

That is the retroactive provision. My letter continues:

There is nothing in the Minister of Justice's letter to the Attorneys General indicating any such breach of statutory contractual obligations with presently existing judges who have been appointed for life, under the Constitution.

Nor was there a single suggestion there about what compensation he would make if it was done.

No doubt your attention has already been called to the difference between this motion and the proposal made to you and the other Attorneys General, and you may feel it desirable yourself to deal with this difference between the bill and the proposal which received your approval. However, the matter is now before the Senate and the House of Commons.

As the senior-ranking member of the British Columbia Bar next to yourself, as a past Treasurer of the Bar Association, as well as a senior Senator, I feel that it is appropriate to enquire as to your position on this new proposal. I cannot believe that you will give countenance to any such breach of a statutory contract and, more particularly, to the proposed action of the Canadian Parliament—not only itself to commit such a breach, but to ask Her Majesty The Queen and the Parliament of the United Kingdom also to be a party to this flagrant breach.

Whether you are disposed to explain your position and views to me or deal with it in such other manner as you consider advisable, I feel sure that the Government of British Columbia will not be a party to such a shocking proposal.

The consideration of a provision relating to subsequent appointments is, of course, a very different matter, as to which I offer no comments.

On March 9 I received a very nice letter from Mr. Bonner. I am reading it for only one purpose. I want honourable senators to ask themselves: Does he challenge my suggestion that Mr. Fulton's letter did not make any express provision for retroactive legislation? That is the point I would like honourable members to follow. Mr. Bonner's letter reads as follows:

Dear Senator Farris:

Shortly after receiving your letter of February 18 in connection with the proposed amendments affecting judges, I had an opportunity of informal discussion with the Honourable the Minister of Justice when he was in Victoria on Columbia River matters.

I bet he showed him my letter, too.

I expressed to the minister your views on this subject and feel it would be useful if you would take the opportunity to have an informal discussion with him yourself in Ottawa.

I do not know how much use there would have been in that.

The position of the provinces who have, I believe, entirely endorsed the principle of retirement at 75, . . .

That is true. But they had not endorsed the principle that it should be retroactive to affect contracts.

Hon. Mr. Macdonald: Is that in the letter?

Hon. Mr. Farris: For my friend's sake I will read it again:

The position of the provinces who have, I believe, entirely endorsed the principle of retirement at 75, is complicated by the resolution of the Canadian Bar Association to the same effect.

In my words, not in the words of the letter, that is not a suggestion that that provision or principle endorses also a breach of contract. I am going to read some authorities on that.

Hon. Mr. Macdonald: I did not understand.

Hon. Mr. Farris: Fine. I am glad my honourable leader interrupted, because everyone will understand now.

The letter concludes as follows:

I will be in Ottawa on the 29th and 30th of this month and will be pleased to have a discussion with you on this question at that time, if convenient to yourself.

Unfortunately I was not here at that time, and although I saw Mr. Bonner later on other matters he never asked my opinion on this, and I did not think I was called upon to do more than I had done.

Honourable senators, I will now read letters which appear on page 6 of the appendix to the *Votes and Proceedings* of the House of Commons of February 16 of this year. First is a letter from Mr. Fulton to Mr. Bonner, dated October 7, 1959:

Dear Mr. Bonner:—

I have to refer to my letter of August 19 last which reads as follows:

"Many representations have been made in recent years that the necessary steps should be taken to provide for the compulsory retirement of judges of provincial courts.

As section 99 of the British North America Act, 1867, provides that judges of the superior courts held office during good behaviour, an amendment to the British North America Act would be required to provide for compulsory retirement of the judges of these courts. There is a provision in the Judges Act (R.S.C. 1952, c. 159 s. 26) requiring that judges of county and district courts be retired upon reaching the age of 75. However, there does appear to be serious doubt as to the constitutionality of that provision, . . .

He does not tell him where that doubt arose.

. . . and it would appear to be preferable that any provision in the British North America Act for the compulsory retirement of superior court judges should also be made to apply to county and district court judges.

I have therefore been authorized to seek the approval of the Governments of the provinces for the proposal that a request be made by the Government of Canada for an amendment to the British North America Act by the United Kingdom Parliament providing for the compulsory retirement of judges of the superior, district and county courts, in each province, upon reaching the age of 75.

I should appreciate being advised whether your Government approves of this proposal and to inquire whether you expect to be able to let me have a reply thereto in the near future.

Yours sincerely,

original signed by

E. D. FULTON.

Mr. Bonner's reply, dated November 4, 1959, is as follows:

Dear Mr. Fulton:

In reply to your letter of October 7 regarding the compulsory retirement of judges at age 75, I wish to advise that the Government of this province is prepared to agree to an amendment of the "British North America Act" in this connection.

I may say that I agree wholeheartedly with this recommendation and would go further to suggest that if it is not possible to secure the unanimous consent of all ten provinces that the act be made applicable to those Provinces who have expressed approval of the legislation through their Executive Council.

I say, honourable senators, that that document confirms what I wrote to Mr. Bonner, that there is nothing there to make it clear whether the Government here intended to do what they have done in the present resolution, and that is put in an express provision making it retroactive. That was not in the letter that he sent to these Attorneys General, not a word of it, and Mr. Bonner—he is the only one I can speak for—never challenged my statement that that was so.

This question of retroactive legislation in relation to how documents and statutes are to be determined has been considered many times by our courts, and in my opinion the most authoritative judgment on that question has been made by the man who was considered as one of the great judges of Canada, Sir Lyman Duff, who was a member of the Supreme Court of Canada for years and later its Chief Justice. That court is entirely within the control of Parliament, and when he became 75 years of age, Parliament, including this Senate, extended his term of office for five years by act of Parliament. When those five years expired Parliament extended it for another year—although according to Mr. Fulton's theory he would have been bunched in with any judges who were incompetent at 75—and my information is that his term would have been extended still further, but he did not want to stay any longer.

Now let us hear what Sir Lyman Duff had to say on retroactive legislation that we are talking about. I am referring to a case that was heard in the Supreme Court of Canada, based on an act that was passed in Ontario which provided:

No action shall be brought to charge any person with the payment of a commission or other remuneration for the sale of real property unless the agreement upon which such action shall be brought shall be in writing separate from the sale agreement and signed by the party to be charged therewith or some person thereunto by him lawfully authorized.

This sale had already taken place, but the action had not been brought until after this legislation was passed, and the question was whether in that ambiguous language the prohibition extended to an action brought after the enactment of the legislation but in connection with a contract executed prior thereto.

Hon. Mr. Higgins: What is the citation?

Hon. Mr. Farris: Volume 61, Supreme Court Reports, page 413. The parties were Upper Canada College, Defendant-Appellant, and F. J. Smith, Plaintiff-Respondent. The judgment of Mr. Justice Duff—it was rendered before he was Chief Justice—appears on page 416. He said:

The principle which in my judgment governs this appeal can be stated in the language of—

Then he cites an authority. And, mark you, now we are considering a petition which would include an official document like Mr. Fulton's letter, and an official document like the Canadian Bar Association's resolution as to whether the proposed amendment was intended to be retrospective or not. The passage he cites is from a judgment of the Exchequer Chamber, in the case of *Phillips v. Eyre*, which was heard away back in 1870. The passage is as follows:

Retrospective laws are, no doubt, *prima facie* a questionable policy, and contrary to the general principle that legislation by which the conduct of

mankind is to be regulated ought, when introduced for the first time, to deal with future acts, and ought not to change the character of past transactions carried on upon the faith of the then existing law.

Then he quotes the law in Latin, and I think I ought to ask my honourable friend from Inkerman (Hon. Mr. Hugessen) to make the translation.

The passage continues:

Accordingly, the Court will not ascribe retrospective force to new laws affecting rights, unless by express words or necessary implication it appears that such was the intention of the legislature.

I venture to say, honourable senators, if the proposed amendment were in the words of Mr. Fulton's letter and had no more reference to retrospective legislation than that letter has, that that decision would apply and the amendment would be held to be only prospective.

Mr. Justice Duff goes on:

—and the rule that statutory enactments generally are to be regarded as intended only to regulate the future conduct of persons is, as Parke B. said in Moon v. Durden, in 1848, "deeply founded in good sense and strict justice" because speaking generally it would not only be widely inconvenient but "a flagrant violation of natural justice" to deprive people of rights acquired by transactions perfectly valid and regular according to the law of the time.

Now, whose opinion are you going to take? Are you going to take that of the greatest judge we had in Canada, according to the way Parliament regarded him, are you going to take the opinions of these distinguished judges who over the ages have laid down the foundations on which Mr. Justice Duff's decision was based, or are you going to take the opinion of Mr. Fulton? But before you take the opinion of Mr. Fulton I suggest you read what he had to say.

On page 419 Mr. Justice Duff refers to another distinguished English judge, Chief Justice Erle, whose judgment in *Young v. Adams* was approved by the Privy Council. Following is an extract from Chief Justice Erle's judgment:

Those whose duty it is to administer the law very properly guard against giving to an act of Parliament a retrospective operation unless the intention of the legislature that it should be so construed is expressed in plain and unambiguous language; because it manifestly shocks one's sense of justice that an act legal at the time of doing it should be made unlawful by some new enactment.

I would like to have had this judgment at the time I was attending the last meeting of the Canadian Bar Association, but I regret that I did not. I seemed to be more interested in the social end of the meeting. If I had had this judgment with me I would have attended the sessions and read these sections.

There you are, honourable senators; that is the unchallenged authority in Canada on that question.

Hon. Mr. Brunt: What is the date of that case?

Hon. Mr. Farris: 1921.

Hon. Mr. Brunt: Parliament did not see fit to follow that in 1927.

Hon. Mr. Farris: They saw the error of their ways. And, honourable ladies and gentlemen, I would remind you of an old saying:

While the lamp holds out to burn,
The vilest sinner may return.

I am not saying that Mr. Lapointe was a vile sinner, but he admitted his error and made a correction. I have no doubt that he afterwards read that judgment.

Hon. Mr. Hugessen: May I ask my honourable friend a question for information? If, as he says, the ten Attorneys General of the provinces interpreted the letter to them as dealing merely with the retirement of judges appointed in the future and not in retrospect, have any of them as a matter of fact protested since that time that the actual resolution as introduced goes beyond what they understood the letter to mean?

Hon. Mr. Farris: I don't know. I can speak for Mr. Bonner. He did not protest; he just evaded the issue.

Hon. Mr. Aseltine: This resolution has been on the Order Paper since January 17.

Hon. Mr. Farris: And I wrote two days afterwards to Mr. Bonner. I ask my honourable friend the Leader of the Government (Hon. Mr. Aseltine) to produce something from Mr. Bonner in which he expressly stated that he understood the letter to mean that we are going to break our contract with the judges and not give them full compensation.

Hon. Mr. Brunt: Is there any letter to the contrary?

Hon. Mr. Farris: Good heavens, have we got to have the recommendation of the Attorneys General to avoid the issue? I fail to see it.

Hon. Mr. Hugessen: Is there a possible alternative explanation that the Attorneys General understood Mr. Fulton's original letter as including judges already appointed?

Hon. Mr. Farris: If they did, they were not very good lawyers, because they did not give consideration to the well-known Upper Canada College case judgment by Mr. Justice Duff.

May I now cite the Quebec case, which is an important one. Here I understand that the Legislature endorsed unanimously the resolution in its present form. Why wasn't the resolution in that form sent to all the Attorneys General and put up to them? Mr. Fulton did not think it was good enough to send to England, owing to the fact that the retroactive aspect is not expressly stated there. We must regard the attitude taken by the province of Quebec with great respect. But there are others in that province who take a different view. It is interesting to note that Mr. Rivard wrote his letter informing Mr. Fulton of the decision some six days before disappearing from office, and he was sending the decision of a Legislature that no longer existed. What a new Legislature in that province would do, I do not know, but that is the fact.

Now let us look at the resolution of the Canadian Bar Association. The association had many committees sitting at different times and different places. Some of its members were sailing in our beautiful harbour of Vancouver, while others were playing golf.

Hon. Mr. Brunt: They meet in a number of places other than Vancouver.

Hon. Mr. Farris: They are unfortunate enough to have to do that.

Hon. Mr. Hugessen: They are meeting in Quebec City next summer.

Hon. Mr. Farris: That is another charming place.

I would expect that if this resolution were set over at this time the report from the Canadian Bar Association on this question, when it is properly put up to them, would be quite different. I would be on hand to do my little part—and I still have some standing as a past president of that association.

Hon. Mr. Brunt: Quite; but there would be some opposition.

Hon. Mr. Farris: Let us come to the resolution passed last fall, which I think I can find in Mr. Diefenbaker's speech in the House of Commons.

Hon. Mr. Aseltine: It was tabled in the Senate.

Hon. Mr. Gouin: It is at page 4903 of the House of Commons *Hansard*.

Hon. Mr. Farris: I thank my honourable friend.

Referring to page 4903, I read:

> Resolved that the Canadian Bar Association reiterates its recommendation for the compulsory retirement of superior court judges at the age of 75 years . . .

That does not say that it includes those who are already appointed. I say, if the resolution in that form had been put in our resolution here and passed to England, the judges of Canada would not have hesitated for a moment to follow the decision of Mr. Justice Duff and say that it is not retroactive.

The resolution continues:

> . . . and suggests that the question whether Parliament has under the British North America Act No. 2, 1949, power to amend the Constitution of Canada to so provide be submitted to the Supreme Court of Canada.

Why was that not done? My honourable leader has asked that question. As a matter of fact, he opened with it, and I am going to say a little more about it in a minute. However, I made some inquiries about how, not in ancient times but in very recent times, this resolution materialized. I called up Mr. Arthur Kelly, a well-known practising lawyer in Toronto who has been within the last four or five years President of the Canadian Bar Association. I said to him over the long-distance telephone: "I understand this question of retroactive provisions came up before the Ontario branch of the Canadian Bar Association", and he replied that it had and that he took an active part in the discussion. I asked him if I could quote him, and he said: "Certainly, I am on record. I took an active part in opposing that retroactive provision. The retroactive part was defeated by a small majority in the Ontario branch of the Canadian Bar Association, but when the mid-year meeting was held last year our resolution was changed, and this one, which afterwards went to Vancouver, was substituted for it." I asked him why that was done, and he said: "Well, I think mostly that our lawyers had come to the conclusion that we were so long in trying to get any legislation out of the Government that we had better take what it has given instead of getting nothing at all." The fact is, honourable senators, that the Ontario branch, of which my honourable friend from Hanover (Hon. Mr. Brunt) is such a proud member, struck out a proposal in regard to retroactive legislation.

Hon. Mr. Brunt: Did it pass a resolution to that effect?

Hon. Mr. Farris: I understand so.

Hon. Mr. Brunt: Have you a copy of it?

Hon. Mr. Farris: No; all I have is what Mr. Arthur Kelly gave me over the telephone.

Hon. Mr. Croll: What the honourable senator is saying is correct.

Hon. Mr. Farris: I am telling you how I got it, and it was only a couple of days ago that I did get it. I did not think there would be any argument about it.

Then I made inquiries as to what happened in Vancouver. It came to the association's first committee. As I am a past president there I have some entrée, and I was able to find out what went on. I made inquiries and learned that the first committee that dealt with it had the information on it all typed out, and anybody who wants to question it can probably get that record. I obtained it also over the telephone. All it did was to decide that this resolution which had come down from Montebello, where the mid-year meeting was held, should be put to the general meeting. There was no discussion. It came before the general meeting of the convention just before its adjournment, when everything was going with a whoop, and it went through as I read it to you with no discussion. No one raised the question of retroactivity. It was not discussed. Whether this means everybody was wiser than the judges are, and knew that it included retroactivity, I do not know, but I know it is a mighty slim document on which to ask this house to change its opinion.

Hon. Mr. Macdonald: Was not the meeting of the Ontario Bar Association held after the meeting at Vancouver?

Hon. Mr. Farris: No, not according to Mr. Kelly.

Hon. Mr. Macdonald: Yes, the mid-winter meeting of the Ontario Bar Association was held in February or March, and this resolution at Vancouver is dated September 4, 1959.

Hon. Mr. Farris: I know it is, but the other meeting was before that.

Hon. Mr. Macdonald: No, the Ontario Bar Association's mid-winter meeting was subsequent to September 4, 1959.

Hon. Mr. Farris: Very well. That is not the way I understood it, but I may be wrong. If that is so I think it strengthens my position that notwithstanding this resolution that went through at Vancouver—if my honourable friend is right, and he may well be—the Ontario Bar, according to Mr. Arthur Kelly, a past president and an active practitioner in Toronto, overruled it.

Hon. Mr. Brunt: What did they do with the resolution? Did they send it to the Minister of Justice?

Hon. Mr. Farris: I do not know. If there is any doubt about that I suggest you call Mr. Arthur Kelly. He is the man who told me, and he said I could quote him as to it.

Hon. Mr. Macdonald: I can tell you what happened to it. It was sent to the council, as the honourable senator from Vancouver South (Hon. Mr. Farris) has said, and the council did not endorse it.

Hon. Mr. Farris: With respect to sanctions from the bar, the fact is that the bar of the largest English-speaking province in Canada did not sanction this thing. So, if you have any doubts in your own minds and consciences about the justice of this, then to what degree is this slapdash way in which it was dealt with by the Canadian Bar Association going to change your conviction?

Hon. Mr. Brunt: If there was anything done which was slapdash it was done in the Ontario section which passed a resolution and did nothing about it. The Canadian Bar Association at least sent its resolution to the Minister of Justice.

Hon. Mr. Farris: Mr. Kelly told me he was present when they discussed this matter. I understood that it was before the meeting at Montebello, and it was carried there by a small majority that it should not be retroactive. I asked him if I could quote him and he said: "Of course you can, because I am on record already."

Hon. Mr. Brunt: I do not question the correctness of your statement. I am concerned with the fact that they did nothing about it.

Hon. Mr. Croll: It was passed on to the council, and the council turned it down. That is all the honourable senator from Vancouver South (Hon. Mr. Farris) is saying.

Hon. Mr. Higgins: Would the honourable senator state in what year the meeting was held at Montebello?

Hon. Mr. Macdonald: 1960.

Hon. Mr. Farris: I am talking about 1959, when they met in Vancouver. I will telephone Mr. Kelly after this discussion and find out a little more about it. It is my stupidity, if I have it incorrectly, not his.

Hon. Mr. Macdonald: You are right except for the dates. The facts are correct.

Hon. Mr. Farris: My next submission in regard to this, honourable senators, is that everything about this legislation is wrong—everything.

Hon. Mr. Brunt: That is one fell sweep of the broom.

Hon. Mr. Farris: I have been too long in the practice of law and in politics to make a statement like that without having something with which to back it up. I will do that, and

then I will leave it to your fair-minded judgment as to whether I have not, at least, made a reasonable case.

I say the Government should have acted on the recommendation of the Canadian Bar Association and submitted to the Supreme Court of Canada the question of whether or not the Canadian Parliament has power under the British North America Act amendment of 1949 to determine the retirement age of judges of both the superior and county courts. We have heard about the county courts, but if it is true that that amendment of 1949 conferred jurisdiction in regard to the judges of the superior courts on the Parliament of Canada, then this petition requests the taking out of our jurisdiction something we already had and the freezing of it in the imperial Parliament, and all the emotion that was revealed in my honourable friend's speech about the inequity, and about our going a step backward, applies more strongly to the superior court judges and the recommendation of the Canadian Bar Association than it does to the county court judges.

Hon. Mr. Brunt: That is a matter of opinion.

Hon. Mr. Farris: In my opinion, for what it is worth, the cause in favour of the jurisdiction of the Canadian Parliament as to superior court judges is just as strong as it is with respect to county court judges. If I had the opportunity of doing so, in the event of a reference to the Supreme Court of Canada, I would without any hesitation so argue. If the Canadian Bar Association is to be taken as seriously as the Government apparently thinks it ought to be taken, then its suggestion that this be referred to the Supreme Court of Canada ought to be followed. There is no doubt about what the association suggested, and its suggestion was not idly made. So we are entitled, on the basis of the opening remarks of my honourable leader (Hon. Mr. Macdonald), to look at the amendment of the Constitution in 1949.

I have here a consolidation of the British North America Act and amendments from 1867 to 1952. I would like to explain to honourable senators who are not lawyers that the distribution of legislative powers, provincial and dominion, are found in sections 91 and 92 of this act. Section 91 deals with the powers of Canada and section 92 contains sixteen provisions as to the exclusive powers of the provinces. The first provision as to the powers of the dominion, under section 91, concerned public debt and property. I suppose when the words "public debt" were inserted the drafters anticipated the present Government's being in office. But quite seriously, that provision has been moved down now and the first provision that now comes within federal jurisdiction is the one I am going to read in its entirety, for it goes to the very root of the complaint made by my honourable leader. Incidentally, I am sorry that the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is not present, for he has strong ideas about this county court question and I am wondering whether he has given sufficient consideration to the same matter in connection with superior court judges.

Section 91 states:

> It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces; and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act) the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—
>
> 1. The amendment from time to time of the Constitution of Canada, except as regards matters coming within the classes of subjects by this Act assigned exclusively to the Legislatures of the provinces, or as regards rights or privileges by this or any other Constitutional Act granted or secured to the Legislature or the Government of a province, or to any class of persons with respect to schools . . .

My honourable friends from Quebec will all understand without question that this legislation could not possibly apply to schools. The provision goes on:

> . . . or as regards the use of the English or the French language or as regards the requirements that there shall be a session of the Parliament of Canada at least once each year, and that no House of Commons shall continue for more than five years from the day of the return of the Writs for choosing the House:

The remainder is all in regard to that matter. So for the only possible exception to the general application of this act you have to go to section 92, the provincial section, and look at what the provisions are there. You can take my word for it—and I am sure my honourable friend from Inkerman (Hon. Mr. Hugessen) will agree with me—that the only one that might apply is paragraph 14:

> The Administration of Justice in the Province, including the Constitution, Maintenance, and Organization of Provincial Courts, both of Civil and of Criminal Jurisdiction, and including Procedure in Civil Matters in those Courts.

Honourable senators, this argument is one that needs careful consideration, and as it is now a few minutes short of 6 o'clock, I will, with permission of the house, adjourn the debate.

On motion of **Hon. Mr. Farris**, debate adjourned.

EXCISE TAX BILL

THIRD READING

Hon. William R. Brunt moved the third reading of Bill C-73, to amend the Excise Tax Act.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, before we adjourn I would like to advise the house that we shall probably have royal assent tomorrow afternoon at approximately 5.45.

Hon. Mr. Macdonald: Honourable senators, I should like to inquire from the Government whether any pictures will be taken of the house during royal assent. I raise the question because on the last occasion we had royal assent very few senators were present. Royal assent was unexpected and many senators had gone out on other business or had left for their homes. Some had been attending a committee and did not know that royal assent was to take place. I think it was most unfair that a picture should have been taken of the Senate in session when most of the seats were vacant. The picture did not fairly represent the usual attendance in this house.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 7, 1960

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

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

7th July 1960

Sir,

I have the honour to inform you that the Hon. Patrick Kerwin, Chief Justice of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today the 7th July, at 5.45 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be
Sir,
Your obedient servant,
E. Joly de Lotbinière
Assistant Secretary to the
Governor General

The Honourable
The Speaker of the Senate,
Ottawa

DOCUMENT TABLED

Hon W. M. Aseltine tabled:

Report on the Vocational Training Co-ordination Act, for the fiscal year ended March 31, 1960, Chapter 286, R.S. 1952, as amended by Chapter 45 of the Statutes of 1953-54. (English text).

PRIVATE BILL

EVANGELICAL LUTHERAN CHURCH OF CANADA—REPORT OF COMMITTEE

Hon. Paul H. Bouffard, Chairman of the Standing Committee on Miscellaneous Private Bills, reported that the committee had further considered Bill S-19, to incorporate The Evangelical Lutheran Church of Canada, and had directed him to report the same to the Senate with the following amendments:

1. Page 1, lines 19 and 20: Strike out "town of Provost, in the province of Alberta" and substitute therefor "city of Prince Rupert, in the province of British Columbia".
2. Page 2, line 1: Strike out "Alger" and substitute therefor "Algar".
3. Page 2, line 7: Strike out "George" and substitute therefor "Gerhard".
4. Page 2, line 10: After "John" insert "Michael".
5. Page 3, line 3: After "churches," insert "schools and".
6. Page 4, line 8: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
7. Page 5, line 3: Strike out "real or personal," and substiute therefor "real, personal or mixed,".
8. Page 5, line 17: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
9. Page 5, line 42: Strike out "real or personal," and substitute therefor "real, personal or mixed,".
10. Page 6, line 18: Strike out "board of directors" and substitute therefor "Board of Trustees".

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

Hon. Mr. Bouffard: With leave, I move that the report be adopted now.

Report adopted.

THIRD READING

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

Hon. Mr. Bouffard: With leave, I move the third reading now.

Motion agreed to and bill read third time and passed.

WAR VETERANS ALLOWANCE BILL

THIRD READING

Hon. George S. White moved the third reading of Bill C-71, to amend the War Veterans Allowance Act, 1952.

Motion agreed to and bill read third time and passed.

CRIMINAL CODE BILL

THIRD READING

Hon. Lionel Choquette moved the third reading of Bill S-36, to amend the Criminal Code.

Motion agreed to and bill read third time and passed.

CANADIAN NATIONAL TORONTO TERMINALS BILL

THIRD READING

Hon. William R. Brunt moved the third reading of Bill C-72, respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the city of Toronto.

Motion agreed to and bill read third time and passed.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—DEBATE ADJOURNED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Aseltine:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinfater set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges. 30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. J. W. deB. Farris: Honourable senators, after I got through wiping my brow last evening one of my good friends in the Senate said I made a very good speech, but that I talked too long. I am conscious of that, but I was confronted with this position, that I felt I was making the kind of speech that I would make in a court of appeal, with this qualification, that I did get in a little hot air that I would not have been able to get in in a court of appeal. With that exception, I felt that my speech was the kind of argument that the Senate would receive, not on any emotional grounds, but as a court would consider it. That being so, I could not restrict my remarks very much more than I did.

May I say also that as this discussion goes on, if you do not see me here you will know that tomorrow morning I shall be leaving for home, for I shall feel that all I can say has been contributed to this discussion, except my vote. My good friend from Hanover (Hon. Mr. Brunt) has agreed to give me my pair. I do not think that was done altogether to speed the parting guest, but rather in the spirit of good friendship, and I appreciate it very much.

Hon. Mr. Brunt: Thank you.

Hon. Mr. Macdonald: Can you be persuaded to stay?

Hon. Mr. Farris: If I can, I am prepared to have the pair cancelled, but otherwise it can stand, because I think my friend can assume that I will not change my views in this case.

When we adjourned yesterday afternoon I had undertaken the proposition that everything was wrong about this procedure. Having in mind the friendly advice I received last evening, I may curtail what I have to say, but I shall certainly not be restricted in what I think. First, I submitted that the procedure was wrong in connection with the county and district courts, that before any decision was made or action taken which would freeze this jurisdiction within the imperial Parliament we should make sure, with respect to the method we adopt in this country, what the law is. The simple way to do that is to refer it under the Constitutional Questions Determination Act to the Supreme Court of Canada. I have no more to say on that. It seems to me so obvious that no argument is required.

Next I discussed the point in regard to superior court judges, and I say the same criticism applies to the Government's procedure in regard to superior court judges because of the amendment made in 1949 to our Constitution by the imperial Parliament.

You will remember I read the amendment. First I read the old provision that is still in section 91, which gives to the dominion power in relation to all matters except those specifically assigned to the provinces, which are listed in section 92. The amendment in regard to our powers is the new clause which I read yesterday. I think it is difficult for a layman to follow—indeed, it is difficult even for a lawyer, when reading it the first time. It says:

91. . . . the exclusive Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—

Then the new paragraph 1 is the amendment:

1. The amendment from time to time of the Constitution of Canada, except as regards matters

coming within the classes of subjects by this Act assigned exclusively to the Legislatures of the provinces, . . .

and other things which I read yesterday and do not need to read again because we are not dealing here with any of those matters. The only question is, do we come under these classes of subjects which this act assigns exclusively to the Legislatures?

Hon. Mr. Higgins: What act are you referring to?

Hon. Mr. Farris: The British North America Act.

Hon. Mr. Higgins: Is it No. 2 of 1949?

Hon. Mr. Aseltine: 1949, yes.

Hon. Mr. Farris: That is not the same act under which we brought Newfoundland into Confederation.

Hon. Mr. Higgins: The Newfoundland amendment was No. 1, and this is No. 2.

Hon. Mr. Farris: Section 92, paragraph 14, relates to administration of justice in the province, and so on, but we cannot possibly come under that because section 99 of the British North America Act provides:

The Judges of the Superior Courts shall hold Office during good Behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

So we cannot possibly be under section 92. That being so, it is my considered opinion as a lawyer—and I have discussed it with many lawyers in whom I have great confidence and they all agree with me—that under the amendment of 1949 we have complete jurisdiction to change our Constitution in any matter that does not come under section 92, which lists the powers vested in the provinces.

I may be wrong in that, honourable senators, because lawyers do disagree and cases come to the courts with not only the lawyers but the judges disagreeing. But I say to you without any hesitation that there is, in my opinion, a strong case, the very strongest case, that we have today jurisdiction to amend our Constitution to take in the power to affect or change the tenure of office of judges. Now, if that be so, it would be just as retrograde an action to send that question over to the imperial Parliament as it would be to send over the question of the age of retirement of county court judges.

I think it would be a most lamentable thing for this Parliament to pass a resolution asking the imperial Parliament to make an amendment in regard to section 99 when that is, in my opinion, not necessary. The serious thing about it is this, that if we pass this resolution and the British Parliament acts on it, that will be a repudiation of the law passed in 1949, and the power that we were then given and do have today to amend our own Constitution in matters of this kind will be lost.

Not only do I offer that advice, but the Canadian bar has offered that advice, and in the resolution which I have read the association suggested that this question be submitted to the Supreme Court of Canada in view of the 1949 amendment to our Constitution. I did cast some reflections on the Canadian Bar Association in regard to the retroactivity question because I do not think the association fully considered that, but it set out in black and white its recommendation that the Government submit this question to the Supreme Court of Canada. As I stated yesterday, the Government has the fullest jurisdiction to do that. Time after time it has referred constitutional problems to the Supreme Court of Canada.

If that is done we shall be no worse off than we are now, but if the view I am offering is right—and I flatter myself that I am a lawyer of some experience in this country, and I have gone to plead before the Privy Council as often as any practising lawyer in this country—if I am right, and if the men who join me in that view are right, then we would do a terrible thing if we sent this over to the imperial Parliament at the present time. We would be going back to colonialism; we would be asking the imperial Parliament to do that which we ourselves have had full power to do since 1949.

I am cutting out a lot of what I had intended to say, owing to the good advice I received from some senators about speaking too long yesterday.

I want to come now to the regret I expressed that my honourable and learned leader in the Senate (Hon. Mr. Macdonald) disagreed with our national leader in the House of Commons.

Hon. Mr. Macdonald: On a question of privilege: what I stated yesterday was that I thought the method that was adopted in the House of Commons was not the method which should be adopted here.

Hon. Mr. Farris: Well, if that is not a disagreement I don't know what it is.

Hon. Mr. Macdonald: May I explain? I stated that the method that was adopted there was the moving of an amendment, which was voted on and defeated, and it was obvious that if we moved a similar amendment and sent it over to the House of Commons it also would be defeated.

Hon. Mr. Farris: I would say that we would not then have a joint address from both houses.

But my friend went further than that. He said that the Honourable Mr. Pearson, when moving his amendment, did not have before him the new Judges Bill and so did not know that these judges who may get the kick-out—I use that term advisedly—he did not know they were going to get another thousand dollars a year that they would not have got before.

Well, honourable senators, as one of Mr. Pearson's supporters I must say that, he having taken a stand on principle and having got a registered vote of the other Liberals in the Commons, I cannot conceive for one minute that he would change his stand on the principle for a lousy thousand a year.

Hon. Mr. Macdonald: There is no suggestion to that effect.

Hon. Mr. Farris: Read *Hansard.*

Hon. Mr. Macdonald: There is no suggestion whatsoever of that.

Hon. Mr. Farris: Read *Hansard.*

The Hon. the Speaker: I would ask the honourable gentleman to refrain from referring to the debates of the other place, in accordance with a well-known rule.

Hon. Mr. Farris: Yes, Mr. Speaker, I will be glad to refrain from doing so. I was trying to discuss, not the debates of the other house, but the speech of my honourable leader (Hon. Mr. Macdonald).

I regret the position that my leader has taken in this house for two reasons. I say this in a friendly way, because my Leader and I have been friends for many years, and I hope we can so remain.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Farris: But I am disappointed for two reasons. First, I am disappointed because the motion that Mr. Pearson made in the House of Commons was not moved by the Leader of the Opposition here (Hon. Mr. Macdonald). Probably that was for a political reason. Let me say that while I am not entirely above political considerations, I would not go as far as Sir John Macdonald did when he said that the time he wanted the support of his friends was when he was wrong. But I do say that we Liberals in this house, and we Conservatives in this house, who have a high regard for the principles that we are enunciating, should consider these matters over and above political considerations.

Hon. Mr. Macdonald: Mr. Speaker, I rise on a point of order. I do not think the honourable gentleman should impute motives. The motive he is imputing is incorrect, in any event, but he should not impute motives at all.

Hon. Mr. Farris: I am extending the highest motives to all concerned.

The Hon. the Speaker: I do not think the honourable senator who is addressing the chamber is imputing to the honourable Leader of the Opposition motives of a partisan character. He appears to be doing the very opposite: he is calling on honourable senators on both sides of the house to conduct this debate in a non-partisan manner.

Hon. Mr. Farris: I am suggesting that our motives should be as I am going to state them.

Hon. Mr. Macdonald: Mr. Speaker, I rise again on a point of order. The honourable gentleman has imputed a motive to me.

Hon. Mr. Farris: I am not imputing any motive to my friend. In my opinion his motives are wrong, and I have the right to state what in my opinion are the motives that are against us.

Hon. Mr. Macdonald: My friend cannot impute a motive to me. That is a well-recognized parliamentary rule.

The Hon. the Speaker: The honourable gentleman who is addressing the chamber has made an appeal to both sides of the chamber that there be no partisan motives in this debate. He has made no personal reference to the honourable Leader of the Opposition.

I think both honourable gentlemen should continue to be very good friends.

Hon. Mr. Farris: Mr. Speaker, the fact is, and I am going to put it on the record, that I am not questioning any motive on the part of my friend the leader on this side. But I do regret that he does not see things in the way I do. I regret that he does not see them in the same way, as far as I can find out, as the Leader of the Liberal party in Canada sees them.

Hon. Mr. Macdonald: You are right in the first proposition and wrong in the second.

Hon. Mr. Farris: Let me give my reasons very briefly. Let us forget all political considerations whatsoever. The duty of a senator, in my judgment, when a principle is involved, is to rise above mere political considerations. My conception of the duty of a senator is tied in with my ideals as a lawyer. For nearly 60 years I have practised law, and for 23 years I have been a senator. As a practising lawyer it has been my pride and inspiration that I have been in a profession in which the struggle for justice has been uppermost.

At the conclusion of my term as President of the Canadian Bar Association, 20-odd

years ago, I chose as the subject of my closing address before the annual meeting, "Justice of the Courts". In that speech I stated—it is quite long, but do not fear, I am not going to quote much from it.

An Hon. Senator: Dispense.

Hon. Mr. Farris: As reported at page 75 of the *Proceedings of the Canadian Bar Association, 1938,* I said this:

> When a lawyer speaks to lawyers about justice, it is necessary to define his subject with exactitude. Justice has its source in equality and is in itself an absolute principle. Justice in this sense is infinite in its nature and only Divinity is capable of administering absolute justice. Justice as we are dealing with it is justice as administered in the courts. Even when we win our cases we are not prepared to think of our judges as God-like institutions. We recognize that they are only human in their nature. Yet I would remind you that we are told that man is created in the image of God. Human justice, therefore, at its best, is an image of Divine justice. As that image most approaches absolute justice, so has man reached his highest achievement.

Honourable senators, I would like to couple that with my conception of my duties as a senator, which are, as I have said, tied in with my ideals as a lawyer. As a senator I have strong convictions as to why the Senate was created, and why it exists and is justified today.

The Senate was created as a non-elective body for the protection of minorities, and as a bulwark against legislative injustices or the tyranny of majority rule. I understand, though I have not seen it, that the Prime Minister has declared that his proposed Bill of Rights is the conscience of Canada. I don't know yet what is in the bill, but I do say that unless it has in it a declaration of the sanctity of contracts, the sanctity of contracts made by Parliament, then it is a mighty wobbly conscience of Canada.

Democracy was defined by Lincoln as government of the people, by the people, for the people. This does not mean government of the majority, by the majority, for the majority. In practice there is bound to be a conflict between actuality and theory, because you cannot run a government without having majority rule. But the concept of the Senate, as I understand it, is that we are here to see that no rights of minorities, whether contractual rights or provincial rights or otherwise, are ruthlessly set aside.

Let me point out this to honourable senators: it is to our judges that we look for the honest administration of justice, which of course includes the recognition and enforcement of contractual rights. Honourable senators, I ask you in all seriousness, can we demand from our judges any higher sense of moral duty than we as a nation extend to them? What hypocrisy it would be for a senator in one breath to proclaim with pride the justice of our courts and in the next breath to say, in effect, to hell with our contractual obligation to the justices! Could a senator be so cynical as to hold on high this solemn document which I read to you yesterday, under the Great Seal of Canada, signed by the Governor General of Canada, made in the name of Her Majesty the Queen, signed by the Secretary of State, and to say that it is nothing but a scrap of paper?

Honourable senators, when we adjourned yesterday I intended to move an amendment in the same words as the amendment that was moved by Mr. Pearson in the House of Commons, but I have changed my mind about that. I have another resolution, and I want to thank the honourable senator from Churchill (Hon. Mr. Crerar) for suggesting it. I am proud to give effect to the suggestion he has made, because I have thought for many years while sitting as a member of the Senate that the Honourable Senator Crerar's record in Canadian life has been as high and as fine as that of any man.

I will read you a preamble to the amendment I am going to move, although this will not form part of my amendment:

> Whereas the proposed petition if made effective would take from the Canadian Parliament its present control in regard to the age limit of the county court and district court judges, and
> Whereas the petition if made effective would make certain that the amendment to the Constitution made in 1949 no longer vested in the Canadian Parliament—

Keep that in mind, honourable senators. If, as many lawyers suggest, we have that power now, this resolution that we are asked to adopt would take it away from us and give it back to the imperial Parliament, so that colonialism would be re-enforced in a way which is not in the interests of the people of Canada, and not in accordance with their wishes. Let me read that again:

> Whereas the petition if made effective would make certain that the amendment made to the Constitution in 1949 no longer vested in the Canadian Parliament powers to amend the Constitution so as to fix the age limit of county and district court judges but would enshrine—

I think that is the word that was used yesterday—

> —but would enshrine that power in the Parliament of the United Kingdom—

Therefore, honourable senators, I beg to move as an amendment to this resolution, seconded by the honourable senator from Grandville (Hon. Mr. Bouffard):

> Be it resolved that the Senate recommends to the Government of Canada that pursuant to its powers the following questions be submitted to the Supreme Court of Canada at its next sitting:

—and the next sitting of the Supreme Court of Canada is, I believe, at about the end of next September.

One: Has the Parliament of Canada jurisdiction to determine the age limit of county and district court judges?

That is a simple question, and the answer is Yes or No. If we have that power, then why are we shovelling it away from us? If we have not got that power, then let us find out so that we do not have to depend on the opinion of Mr. Fulton to that extent.

Two: Has the Parliament of Canada under the provisions of class 1 of section 91 of the British North America Act the power to amend the Constitution to give the Parliament of Canada the jurisdiction to repeal, amend or modify section 99 of the British North America Act to give to the Parliament of Canada power to determine the age at which judges of the superior courts presently existing or hereafter appointed shall retire?

Be it further resolved that pending action by the Government on the foregoing suggestions, no further action be taken by the Senate on the motion now under consideration.

The Government is assuming we have not that power, and that is why it wants to ask the imperial Parliament to amend the act, but there is no evidence for that at all. I say, and other lawyers say, there is some doubt about that. The Canadian Bar Association, in the submission sent to the Government last fall, suggested that this question be submitted for answer to the Supreme Court of Canada. The association had a real conviction that at the most this is a mighty debatable question. If it is debatable, then why in the world is there any hesitation in asking the Supreme Court of Canada to settle it? If the Supreme Court of Canada says that we have that jurisdiction, then all the legislation that is needed can be dealt with here by this Parliament and not by a humble, creeping petition to Her Majesty as the head of the Government of the United Kingdom; it can be dealt with by the Parliament of Canada.

Let me read that question again:

Has the Parliament of Canada under the provisions of class 1 of section 91 of the British North America Act—

That is the section I read to you last night.

—the power to amend the Constitution to give to the Parliament of Canada the jurisdiction to repeal, amend or modify section 99 of the British North America Act to give to the Parliament of Canada power to determine the age at which judges of the superior courts presently existing or hereafter appointed shall retire?

Be it further resolved that pending action by the Government on the foregoing suggestions, no further action be taken by the Senate on the motion now under consideration.

I have great pleasure in moving that amendment.

Hon. Mr. Aseltine: Honourable senators, I rise on a point of order. I am wondering whether this is an amendment at all. It seems to be another resolution.

Hon. Mr. Farris: No; I am moving that we stand this resolution over for the time being.

Hon. Mr. Aseltine: I am just raising a point of order.

Hon. Mr. Farris: We are not trifling with this question.

The Hon. the Speaker: Honourable senators, I am under the impression that this is not an amendment to the resolution actually under debate. It reads: "Be it resolved . . .", which at the inception indicates a new resolution:

Be it resolved that the Senate recommends to the Government of Canada that pursuant to its powers the following questions be submitted to the Supreme Court of Canada at its next sitting.

One: Has the Parliament of Canada jurisdiction to determine the age limit of county and district court judges?

Two: Has the Parliament of Canada under the provisions of class 1 of section 91 of the British North America Act the power to amend the Constitution to give to the Parliament of Canada the jurisdiction to repeal, amend or modify section 99 of the British North America Act to give to the Parliament of Canada power to determine the age at which judges of the superior courts presently existing or hereafter appointed shall retire?

Be it further resolved that pending action by the Government on the foregoing suggestions, no further action be taken by the Senate on the motion now under consideration.

I think I will defer my decision on this, but my first impression is that this is not a proper amendment to the resolution under consideration.

Hon. Mr. Dupuis: Honourable senators, am I not right in saying that this amendment would be in order if we changed the position of the paragraphs so that the last paragraph became the first? The effect of the amendment would then be that the resolution of the honourable Leader of the Government (Hon. Mr. Aseltine), be not now concurred in and that no action be taken on it until a reference has been made to the Supreme Court of Canada and a decision thereon handed down.

The Hon. the Speaker: Honourable senators, even if the last part of this resolution or motion for amendment were put first I do not think it would make it any the more valid. The last paragraph reads as follows:

Be it further resolved that pending action by the Government on the foregoing suggestions, no further action be taken by the Senate on the motion now under consideration.

As I read it, this is clearly a motion that no further action be taken on the main resolution before the Senate. We cannot simply

discontinue debate on a resolution that is actually before the Senate. Some action has to be taken, whatever this action may be. I do not think the Senate has power to drop the matter simply on a resolution which is not an amendment and which does not refer to the first resolution, and which does not even mention that it is an amendment to the first resolution. There is nothing in this so-called amendment which refers to the resolution actually before the Senate, with the exception of the last three lines which merely propose that no further action be taken by the Senate pending a decision by the Supreme Court.

As I said at the outset, I will defer my decision, but my first impression is that this is not a proper amendment to the resolution under debate.

Hon. Mr. Roebuck: Honourable senators, speaking to the amendment, may I suggest to His Honour the Speaker that in considering his decision he might recall that the motion colloquially referred to as the six months' hoist is very analogous to the resolution that has just been submitted to us. It is proposed by this resolution that the Senate defer action until some indefinite time rather than to a precise time, as provided for in the six months' hoist procedure. There is not a great deal of difference in principle between the two, and the six-months' hoist procedure is thoroughly established.

The Hon. the Speaker: I do not believe that the six months' hoist is a recognized procedure. It is the result of certain decisions that might be taken by either the House of Commons or the Senate but I do not think there is any qualified procedure in either house which may be called the six months' hoist. When you have a situation which results from no action being taken then there is what we might call in the courts a prescription, and as a result the legislative measure in question on which there is no decision taken by either this house or the other house, is killed; but I believe it is not a procedure which is provided for and recognized in either the Rules of the Senate or the Rules of the House of Commons.

Hon. Mr. Crerar: May I say a word?

The Hon. the Speaker: I might call upon our constitutional lawyers to give their opinion on the legality of this amendment. I would be glad to hear from them on this point of order before I render my final decision. The honourable senator from Churchill (Hon. Mr. Crerar) has the floor.

Hon. T. A. Crerar: Honourable senators, it appears to me that the resolution submitted by the honourable senator from Vancouver South (Hon. Mr. Farris) lacks a degree of clarity. I would suggest it could be put in order beyond question of doubt if it were based on a request by the Senate that further consideration of the address be deferred until these questions have been submitted to the Supreme Court of Canada and an opinion has been obtained from that court. May I suggest it is not essential that this address be passed immediately. Although it has been passed by the other house, it seems to me we could pass it at the next session of Parliament and still conform to all the requirements. The matter of obtaining an opinion from the Supreme Court of Canada is one of very great significance indeed, and I suggest that if the honourable senator from Vancouver South had said that the determination of the present discussion be deferred—

Hon. Mr. Aseltine: That would not be an amendment.

Hon. Mr. Crerar: Of course it would. We could simply move that further consideration by the Senate of the address be deferred until we get an opinion from the Supreme Court on the points mentioned. It does seem to me that that is perfectly in order, and I make that submission without arguing the merits of the proposal.

Hon. Mr. Aseltine: May I interrupt my honourable friend to ask a question? Has this house the power to ask the Supreme Court of Canada to give an opinion on these points?

Hon. Mr. Crerar: We are not doing that.

Hon. Mr. Aseltine: That is what you are suggesting.

Hon. Mr. Crerar: No, I am not. We are recommending that the Government do it. The Government of Canada has at various times referred matters to the Supreme Court for an opinion as to their validity. I maintain that if the resolution were adopted in that form we would not be giving the six months' hoist to the address but would simply be deferring action upon it until we obtained an opinion from the court on these points.

Hon. W. Ross Macdonald: Honourable senators, I have not had an opportunity to study the proposed amendment, but from what I have heard I would say it does not amend the motion before the house in any respect. There may be some other way of doing what the honourable senator from Vancouver South (Hon. Mr. Farris) suggests, and I have no hesitation in saying that I am quite in sympathy with his suggestion. In my speech I said—and I am on record in this respect—that this matter should have been referred to the Supreme Court of Canada. But when we come to the question of procedure we

must act according to the Rules of the Senate. I repeat, the wording of the proposed amendment, as I recall it, does not amend the motion before the house in any respect whatsoever.

The Hon. the Speaker: I do not believe it is a proper amendment because it would resolve that the Senate recommend to the Government of Canada that two questions be submitted to the Supreme Court. How can that be tied in with and construed as an amendment to a resolution containing an address to Her Majesty praying that a measure be laid before the Parliament of the United Kingdom to amend the British North America Act?

There is nothing in this so-called amendment which would in any way affect or modify the substance-matter of the resolution actually before the Senate or have the effect of typing the two together. It envisages a completely different and distinct procedure by which everything with respect to the resolution actually under debate would be held up, in order that the Government may consider the recommendation made by the honourable senator from Vancouver South (Hon. Mr. Farris).

Unless convincing arguments to the contrary are presented to me, I would rule that the amendment of the honourable senator from Vancouver South is not a valid and legal amendment to the resolution actually before the house. The debate is, however, still open.

Hon. Gray Turgeon: Honourable senators, although I am not a lawyer I would like to make a few comments in this debate. I am in agreement with the proposal to eliminate the procedure of presenting a humble address to Her Majesty praying that Her Majesty cause a message to be laid before the Parliament of the United Kingdom for the enactment of certain provisions respecting superior, district and county court judges of Canada. I am wondering if it would be proper at this time to move that the address to Her Majesty be amended by eliminating in the proposed paragraph 2 of Section 99 the reference to district or county court judges. That paragraph reads:

> A judge of a superior, district or county court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age.

It is argued that this Parliament has the power to determine the retiring age of district or county court judges, and with that I agree one hundred per cent. I think the proper procedure would be—and this is only a suggestion—to move that the new paragraph 2 of Section 99 be eliminated from the proposed address to Her Majesty, and if that were done the debate could continue on the other provisions of the resolution.

The Hon. the Speaker: Is the honourable senator moving another amendment?

Hon. Mr. Turgeon: No, Mr. Speaker, I have not moved an amendment. I am making a suggestion.

The Hon. the Speaker: I think we had better dispose of the first so-called amendment before considering a second.

Hon. Mr. Roebuck: Am I to understand that we shall have until Tuesday to consider this matter? I do not have a copy of the amending resolution before me. I have only just heard it, and it is out of the question for me to try to discuss it now. I also suggest that Your Honour's ruling would be accepted with more grace if the decision were delayed.

Hon. Mr. Aseltine: I do not see how I can agree to delay the matter until Tuesday. If we do not proceed with the debate now we will probably have to sit tomorrow and again on Monday.

Hon. Mr. Roebuck: There is no suggestion of our not proceeding with the debate. An honourable senator has moved an amending resolution, which is being held in abeyance. In the meantime, the main resolution is before us, and there is no reason why the debate should not proceed.

The Hon. the Speaker: Of course not.

Hon. Mr. Aseltine: I thought His Honour the Speaker had ruled that the amendment was out of order.

The Hon. the Speaker: No; I stated that I would defer my decision. My personal impression was that it was not a legal, valid or proper amendment to the resolution, and I called on counsel with vaster experience than I have in constitutional matters to try to enlighten me. However, I will defer my decision in any case, and I believe it is quite constitutional and legal to proceed with the main debate in the meantime.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Aseltine: I agree with that.

Hon. Mr. Macdonald: Certainly.

Hon. William M. Wall: Honourable senators, I gather that it is in order for me to proceed with the debate on the main resolution.

If I may project briefly what I plan to say about the resolution now before us, I must in all honesty and sincerity say that the substance of my criticism does not hinge upon my opposition to equating the tenure of office

of all our judges and having the superior court judges also retire at age 75, which proposition seems fair and acceptable and equitable, all things considered. What bothers me, then, is not the substantive goal, with which I am in agreement, but the means which are being taken by the present Government to achieve this goal. In other words, I am complaining not about what this Parliament is setting out to achieve, but how we are asked to do it. Although the substantive goal, which is the retirement of superior court judges at age 75—which I claim is the only substantive point of the debate—is a desirable end, of what national significance I cannot say, yet in this case this desirable end does not justify the means that are being utilized to achieve this goal; and it is here that our dilemma or difficulty lies.

I must confess that I am fascinated by the unseen implications of this humble address, and I keep asking myself this question: Why did the Government choose to solve this problem at this particular stage, in this particular way? Quite properly, the honourable senator from Vancouver South (Hon. Mr. Farris) challenged the Government to explain the justification for this course of action, not only with respect to its constitutional aspects but with respect to its retrospective or retroactive features. He referred to some of the substantive reasons that have been advanced in support of this resolution. He examined these most exhaustively.

Perhaps it would be useful to honourable senators if I reviewed briefly the three basic reasons which the Minister of Justice advanced in justification of what he termed the urgency of this address. These may be found in the House of Commons *Hansard*, for June 14 last, beginning at page 4902. The honourable the minister dealt first with the requests that have come from people outside the House of Commons and from the provinces, that is, from people who are concerned with the position of the judiciary. These requests he documented as no fewer than eight submissions from the Canadian Bar Association, dating back to 1936, and ending in a resolution of September 4, 1959, which last resolution deals only with the retirement of the superior court judges and with the submission of this question to the Supreme Court to check whether Parliament now has the power to settle the question under British North America Act No. 2, 1949. In the minister's own words:

> ... there have been no fewer than eight submissions from the governing body of the Bar of Canada urging that the Parliament of Canada take action to deal with this problem ...

and please note these words:

> ... and to provide for a retirement age of judges of the superior courts at 75 years.

Then the minister explained the efforts that have been made over the years to find some method of achieving this result, that is, the retirement of superior court judges at 75. As I understand his further explanation, these attempts to provide for this compulsory retirement of superior court judges at age 75 —with the consent of the provinces and by an amendment of section 99 of the British North America Act—were unsuccessful. Then the minister said that we must act now because for the first time in the history of this problem the ten provinces have given agreement that this proposal should now be put forward as a constitutional amendment to section 99 of the British North America Act.

Please note that nine of the provincial consents are from the respective Attorneys General and one in the form of an address of a provincial Legislature, which raises a very interesting constitutional problem with respect to the form which this provincial consent should take. I do not intend to pursue this fascinating problem at the present time.

Now, I submit that all this still does not tell me anything about the specific reasons which motivate this course of action. But for this provincial consent to which I have referred, have we been given any evidence about inadequate or poor performance of our superior courts judiciary and why these changes are needed now so urgently?

Have we been told why the Government did not refer this problem-matter of the retirement of superior court judges to the Supreme Court for a ruling as to the constitutional competency of this Parliament to provide for this retirement by our own internal constitutional change by virtue of the powers vested in us by the British North America (No. 2) Act, 1949?

Have we been told why district and county court judges are being brought within this novel constitutional entrenchment or freezing, but for some vague statement that there is some kind of constitutional cloud hanging over our long-established and unchallenged practices?

Have we been told why this proposed legislation is retroactive and in direct variance with what happened back in 1930, or with what happened in 1959, when the United Kingdom Parliament passed similar but not compulsorily retroactive legislation respecting the retirement of its judges at age 75?

And in this connection, honourable senators, with the more adequate pension provisions that are going to be provided for retiring judges, how do we know how many of the present judges may not voluntarily retire if and when they are no longer able

or willing to carry on, perhaps even before they reach the age of 75, without trespassing upon our solemnly and freely undertaken contractual obligations—and I use that term "contractual" not in a legalistic sense but rather in a moral context of our duty and obligation as custodians of the good faith of the Canadian people unto those who have agreed to serve them as superior court judges? I believe that there will be more voluntary retirements than we may think—for each judge, as he reaches age 75, will not only act with judicious wisdom as he considers this wish of the Canadian Parliament, but he will indeed be subjected to signifiant moral and psychological pressures on behalf of retirement, through voluntary choice and responsible volition.

The problem of our procedural tactics in this house bothers me too, and I feel impelled to ask this question: Why did the Leader of the Government in the Senate (Hon. Mr. Aseltine) not proceed much earlier with this address, which has been sitting on our Order Paper for how many months? For you see, the timetabling followed has placed the Senate face to face with what one might call a *fait accompli* because the address passed by the House of Commons is now presented to us as a kind of intergovernmental treaty, which presumably we must either accept as is or not accept at all.

Let us assume that we are not faced with a *fait accompli* and that the members of this honourable house, having assessed the procedural issues at stake, wish to make amendments which they consider beneficial. Now suppose these amendments are accepted in this house, then we could face an anomalous parliamentary situation. Failing House of Commons agreement to our amendments, we would then have two addresses and not a joint address. Suppose that each house sent forward its own version of the address! You will remember that the honourable Leader of the Opposition (Hon. Mr. Macdonald) stressed that the resolution before us is our own; it is separate, and it is independent.

I have a strong feeling that the timetabling of this resolution in this house has placed us in an invidious dilemma, a procedural dilemma which may be characterized by the trite phrase "Heads I win; tails you lose!" I do not know why this should be so, and I protest most vigorously.

Now, if we do not accept the resolution for reasons which are at least worthy for serious consideration, we shall be accused of voting down an acceptable substantive proposal providing for the retirement of superior court judges at age 75. "And what is wrong with that," we shall be asked, "especially since nine provincial Governments and one provincial Parliament have agreed?"

So I want to repeat, this desirable end does not justify inadequate or unacceptable means.

Furthermore, what have the ten provinces specifically agreed to? I am asking this question because I sincerely believe that the argumentation concerning the "residual doubt" about the present retirement provisions for district and county court judges is akin to the proverbial splitting of hairs, and in this context I have every right to split a few hairs of my own, and this I shall do.

Please note that the letter of the honourable the Minister of Justice to the ten provinces asks for and gets approval of only one substantive change, to amend section 99 of the Constitution to provide for the compulsory retirement of provincial judges at age 75. That is all. It said nothing overtly about making this retirement legislation retrospective or retroactive in nature, although one could argue, perhaps, that this could be inferred from or implied into this correspondence. This intergovernmental correspondence certainly said nothing about providing for the impeachment of county and district court judges by way of an address of both Houses of Parliament, which constitutional addition is being made in the address we are now considering.

Reading the provincial replies, I can claim, with justification, that there was provincial concurrence to the retirement-at-age-75 proposal, but there was no specific discussion of nor was there concurrence in the changes this house is being asked to approve in the proposed new section 99 (1) of the British North America Act, in respect to the impeachment of district and county court judges, nor with respect to retroactivity, and on this point I am in substantive agreement with the honourable senator from Vancouver South (Hon. Mr. Farris).

When this resolution was moved in the very first instance it was inferred that this legislation was exactly on a par with the legislation which was introduced in 1927 and which amended the Supreme Court Act. Now, since Parliament passed subsequent legislation to amend and to correct the retroactive and breach-of-contract features of the 1927 legislation, the present legislation which is to result in legislative action by the British Parliament is not on a par: first, because it involves action by another Parliament; and secondly, because its retroactive features mean that we are being asked to abrogate what can be interpreted as a contractual obligation between the people of Canada and the superior court judges who are now holding office under a patent whose meaning is very clear.

This problem of retroactivity has perturbed me a very great deal, although I recognize that this Parliament is being asked to make more generous pension provisions for all judges who are henceforth to be retired, at a certain age and for other reasons. I am not prepared to defeat this resolution on the principle of retroactivity, although, personally, I would rather not see this retroactive principle included in the resolution. Whatever problems we are trying to resolve through the compulsory retirement of superior court judges at the age of 75—and I stress again that these problems have not really been adequately explained to this or to the other house—I believe that these problems will be resolved more naturally and without injecting this retroactive element, by stating clearly the wishes of the Canadian people that superior court judges should henceforth retire at the age of 75 years, just as other judges do.

I would like to refer honourable senators to the *Canadian Bar Review*, volume 12 of 1934, which records an address by the Right Honourable Sir William Mulock, a very eminent jurist. Under the title "Independence of Judges", Sir William discussed the retroactive features of the legislation of 1927 and of 1933, which last bill was defeated in this house. I do not wish to quote from this discussion, but I bring it to the attention of honourable senators.

I can accept the proposition that there can be no real dispute in general concerning the retirement of all judges at 75 years, especially when this principle now applies in practice to the district and county court judges and to the judges of our federal courts. Yet, to me there is something wrong in principle and dangerous in practice to have this Parliament agree to apply this legislation to previously appointed judges on a retroactive basis, when their patents as judges provide for lifetime tenure. Of all the institutions in our country, Parliament should be most jealous and most zealous about preserving the sanctity of contracts entered into on its behalf by the Government of Canada.

It is interesting to note that the British Parliament passed in 1959 the Judicial Pensions Act, being 8, Elizabeth II, chapter 9. Section 2 of that act provides for the retirement of judges at 75. I quote:

> Any person who holds an office listed in the first schedule to this act shall vacate that office on the day in which he attains the age of 75 years.

However, section 3 (1) states:

> The foregoing provisions of this act shall not apply to any person who holds an office listed in the First Schedule to this act at the commencement of this act, unless he elects that those provisions shall apply to him . . .

I must add that I suspect that this objectionable feature of retroactivity in the proposed imperial, and not Canadian, legislation does have a relationship to, and threatens, if it does not actually violate, the basic principle of the independence of the judiciary. I find it difficult to believe that the fundamental independence of the judiciary can be maintained if at the desire of the Government, and with the concurrence of Parliament, the term under which judges are appointed can be amended from time to time, and be made to apply to judges already holding office. Surely judges appointed for life, or for any other term, are entitled to rely upon the word and good faith of Government that such appointments will not be tampered with. In this context, Parliament has an obligation.

Honourable senators, let us consider the constitutional implications and anomalies of the proposed joint and humble address. To me these are fundamental, and they form the basis of my objection to this address in this form.

When the Right Honourable the Prime Minister introduced the motion to amend the British North America Act by a joint address to Her Majesty, he pointed out that there was nothing unusual in the course being followed, and furnished the house with fifteen precedents, dating back to 1871, and ending with the amending act of 1949 which, as you know, gave power to the federal Government to amend the Constitution of Canada except in a number of matters which have been very well described by the honourable senator from Vancouver South (Hon. Mr. Farris).

To me it is significant that when the British North America (No. 2) Act, 1949, was under debate in Parliament the then Conservative Opposition moved an amendment to defer action on the resolution until the whole problem of amending the Constitution could be resolved by a constitutional conference. I am wondering why a similar deferral was not considered by the Government before action was taken to proceed with this address, and to resolve a problem area about retirement of judges, which is certainly not more important than the act of 1949—and which, I believe, can be settled at home, using the constitutional amending powers of the federal Parliament accorded to us by the British North America (No. 2) Act, 1949. In this context, concurrence of the provinces, as already expressed, is helpful as an expression of approval.

It is equally significant, honourable senators, that the Prime Minister indicated that he regarded the present constitutional amending position of Canada as a political

paradox and inconsistent with Canada's independent and sovereign status. So I ask, how much more of a paradox are we making it by this address?

Throughout the discussion in the other house there was apparent the basic realization that Canadians generally would like the power of constitutional amendment repatriated to Canada. There was expressed a firm belief that this repatriation was not only long overdue but was a desirable objective which would be supported by an overwhelming majority of the members of Parliament.

It is therefore natural for a lay person like myself to ask why the Government of the day, besides expressing in rather vague terms its belief in having this done some time, and some how, would not have used the occasion of taking some remedial action to settle the problem of retirement and removal of provincial court judges, to announce its firm intent to call a constitutional conference to resolve the whole problem of amending the constitution, here at home.

There is no need, honourable senators, to give a summary of the history of the constitutional changes which have occurred since 1867, nor to discuss the means which have been used to effect these changes. We know that some of these very significant changes were brought about informally through changing conventions. We know, too, that judicial interpretation has played a very important role in Canadian constitutional history. There have been legislative acts, and we have had formal amendments.

What I do wish to underline is that the formal procedure of amendment of the Constitution is superior to all other means, because through its higher authority it can override all other means. In other words, formal amendment of the Constitution is the ultimate authority and the final arbiter of all disputes. Therefore, how, when and by whom this formal amendment is to be initiated and finally exercised is of tremendous import to the national union, and to each constituent part of this federal union.

We are soon to celebrate the centenary of this federal union, I hope, as a completely sovereign and independent nation, in practice and in theory. No one would question the fact that we feel, we speak, and we act as a nation that is fully self-determined and fully sovereign. However, because our written Constitution contains no provision for its own amendment—and this fact has made the problem of formal constitutional amendment in Canada more complex and more difficult than in many other federal unions—and because we have never been able to resolve our difficulties and our fears regarding some sensible formula which would enable Canadians to fully and completely amend their own Constitution exclusively through their own governmental instrumentalities, we still have to seek some—and I repeat "some"—of these amendments from the Parliament at Westminster, which is the purpose of this humble address. This motion or this resolution shows that the federal element and the very heart of our Constitution is still immune from purely Canadian alteration, because the necessary amendment must be made by a legislative act of the imperial Parliament.

This joint address to resolve the problem of retirement or removal of judges begs the much larger question which has been put to me many times, especially by young Canadian students. They ask me: "Senator Wall, if we are truly independent and sovereign, why can't we change our own Constitution ourselves?" Because Canada has long been a sovereign nation, this continuing practice of a joint address by the two houses to the legislature of another, and equally sovereign, nation is an anomaly which may be termed incongruous, and even a bit humiliating. It may be argued that in actual practice the existence of this anomaly does not cripple our federal system, and there are many who would argue that it has certain protective values. Yet, I believe that Canadians generally regard it as high time that responsible representatives of the provinces and of the union should work out a suitable plan which would repatriate to Canadian soil the final authority for any necessary constitutional amendments.

We have not done so because we have been unable to find a mutually agreeable formula for making these formal amendments to our Constitution, but it seems to me that after 93 years of living together and mutually solving very difficult questions on a friendly and co-operative basis, we should be able, because we are willing, to find suitable answers to this aspect of what most Canadians feel should be a national sovereignty undiluted and constitutionally complete.

This problem is resolvable, and will be resolved if and when a firm decision is made to do so. I sincerely regret that the Government has not taken the initiative to round out this aspect of our national development, which is a question of much greater interest and significance to all Canadians than the substantive question involved in this address. Perhaps we should be adressing ourselves to this larger problem rather than repatriating to the imperial Parliament an

additional little segment of our national constitutional sovereignty, which is being done, in theory and in practice, by section 1 of the address.

Honourable senators, what is the situation that is ostensibly being remedied by this joint address? We begin by asking: How are district, county and superior court judges appointed? Under section 99 of the British North America Act, judges of the superior, district and county courts in each province shall be appointed by the Governor General —period.

How are the services of these federally appointed judges terminated? That is the next sequential question; and you know that under section 99 the judges of the superior courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and the House of Commons. Their appointment is termed, by the Constitution so far, as being for life.

Now what have we done about other judges who also are federally appointed? Because the British North America Act is silent about the removal of district or county court judges, the Parliament of Canada has enacted on its own authority, and without the concurrence of the provinces, by section 26 of the Judges Act, that county or district court judges who have attained the age of 75 years shall be compulsorily retired.

What else have we said about these federally appointed judges? By sections 31, 32 and 33 of the Judges Act, Parliament on its own authority, and without the concurrence of the provinces, has provided for procedure to terminate the services of all judges upon certain grounds.

Honourable senators, in what other way do we terminate the services of judges? To answer this question I have to beat the gun, so to speak, and refer to clause 3 of Bill C-78, which is on the Order Paper, entitled "An Act to amend the Judges Act". Since this bill is now before us I assume it has passed the other house. By clause 3 wide powers are being given to the Governor in Council regarding the payment of pensions on voluntary or compulsory retirement of all judges. This new clause is applicable to all judges and not only at age 75, but, indeed, prior to age 75.

I want to refer you, honourable senators, to the proposed new section 23 (1) (c) of the Judges Act, as set out in clause 3 of Bill C-78. It provides that the Governor in Council may grant an annuity to, among others:

> a judge who has become afflicted with some permanent infirmity disabling him from the due execution of his office, if he resigns his office or by reason of such infirmity is removed from office.

I point out that there is no definition of the word "infirmity". This infirmity may be physical, this infirmity may be moral, this infirmity may be emotional—this infirmity, at this point, may be given whatever definition I choose to give it, unless it is later clarified. And this provision for compulsory retirement of any of our judges who become afflicted with some permanent infirmity has not been arrived at by concurrence of the provinces. We are doing it on our own authority.

This very important question naturally arises in this context: Was provincial concurrence obtained for these termination arrangements and for these other new changes which I am talking about? If so, when? How? If not, then even this Bill C-78 tells us what about the legislative competencies of the federal Parliament with respect to both the appointment of judges and the termination of their services? Does this not mean that the constitutional power of the appointment and the sequential termination of judicial services of all judges rests exclusively in the Parliament of Canada?

This Parliament has already provided for the compulsory retirement of all judges, except superior court judges, at age 75. This Parliament has already provided, by sections 31 to 33 of the Judges Act, and will provide by the new section 23 of the proposed amendments to the Judges Act, that all judges are subject to removal or termination of their services by certain procedures and for certain reasons connected with the public good. Has there been concurrence by the provinces in these arrangements?

All that is needed to make everything equal, proper and very legal is to amend the Constitution to provide for the retirement of superior court judges at age 75. That is all. And I believe very sincerely, as does the honourable senator from Vancouver South (Hon. Mr. Farris), that this can be done at home by the constitutional amending powers granted to this Parliament by the British North America (No. 2) Act, 1949. I ask this question: Why did we place this act upon our statute books if it was not to meet problems of this kind? What is it there for?

I see no reason for this humble address; nor do I see any real need to freeze into the Constitution the retirement age of district and county court judges, which to me is a superfluity; nor do I see any point to having district and county court judges apparently protected further by providing that they shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons.

Honourable senators, it is interesting to note that the honourable the Minister of Justice

"played upon" this terrible procedural means of inquiry by a commission—I am speaking now of section 31 of the Judges Act—of a report to the minister, of action by the Governor in Council, and of the laying of reports before Parliament. The minister intimated that to his knowledge this means had never been used because it was so painful. I wonder how the joint address procedure of removal of judges included in this address will be less painful or more pleasant to apply? Why will this kind of public debate procedure by both houses of Parliament be less terrible if we have to remove a judge? If the procedure outlined in sections 31 to 33 is so distressing and unworkable, and if we wish to change it, we can change it at home by amending the Judges Act. Furthermore, and here I am subject to correction, I have been given to understand that the joint address procedure of removal of judges has also never been used—well, almost never—perhaps because it is equally painful, although the threat to use this procedure or the procedure under the Judges Act may well have been used to force judges to resign.

As I understand the situation, if this address is accepted by both houses and if sequential legislation is passed by the imperial Parliament, there will now be three means of removing district, county and superior court judges prior to their retirement age of 75. The first, by action of the Minister of Justice and the Governor in Council under the new section 23 of the Judges Act; the second, by action under sections 31 to 33 of the Judges Act; and the third, by action of the Government in submitting to Parliament an address. Since the last two procedures are equally distressing and painful, and since we have been told they are almost never used, the case of the Minister of Justice that somehow this is an improvement rather falls flat on its proverbial face. Past history indicates that neither of the last two procedures will be used except perhaps *in terrorem*. I fail to see what improvement we are talking about.

What are the other reasons being advanced for this change? Because under the British North America Act, section 92(14) the provinces are given exclusive authority over the administration of justice in the province, including the constitution, maintenance and organization of the provincial courts, the Minister of Justice argues that there is some kind of "residual doubt" as to the authority of Parliament to have enacted section 26 with respect to the compulsory retirement of district and county court judges at age 75. So he wants to remove this "residual doubt" by including district and county court judges in the same constitutional ambit as the superior court judges.

I am not quite certain about the exact meaning of this phrase "residual doubt", and I have asked myself how long has this compulsory retirement age clause been in the Judges Act, and how many judges have been retired under its provisions and whether there has been one occasion when the constitutional validity of these provisions has been questioned or seriously held in doubt.

I understand that we have had some 57 years of successful experience with this compulsory retirement section of the Judges Act, for in 1903 the retirement age was set at 80, and in 1913 it was set at 75. Now this gloomy cloud of "residual doubt" suddenly arises to plague us, and we must hurry to the imperial Parliament to help us resolve something which I have every right to claim does not exist.

I believe I have the right to argue that not only is there no pressing necessity to include in this address district and county court judges, but that the intent of Parliament to retire superior court judges at age 75 can be effected under the British North America (No. 2) Act, 1949, without asking the British Parliament to do it for us. At any rate, I believe the urgency being argued is not so pressing that the suggested reference to the Supreme Court of Canada cannot be made. Nor do I believe that the provincial consents for this substantive change with respect to superior court judges will be withdrawn while the suggested reference is made to the Supreme Court of Canada.

Honourable senators, this kind of reference could spare us the humiliating embarrassment of repatriating to the United Kingdom still another segment of our Canadian Constitution and adding to, rather than subtracting from, the contractual constitutional powers which presently reside in London. If there is some residual doubt about this Parliament's power to act with respect to superior court judges, I humbly suggest that the first place to try to resolve this doubt is at home, and not by lumping everything into a constitutional amendment—in 1960, seven years before our hundredth national birthday—and asking the British Parliament to resolve for us what I believe is resolvable at home. I am concerned about this voluntary loss of even a little bit of Canadian parliamentary sovereignty, because we are reversing the historic trend to our more complete independence and less-fettered sovereignty. My contention is that the case for our proceeding in this way has not been satisfactorily proven.

I believe that the attention of Canadians generally will not be distracted from this

basic premise, namely, that constitutionally we are making a retrograde step, for we are diluting our sovereignty at a time when our efforts should be directed to the repatriation to Canada of the right to amend our own Constitution. To me, this is the nub of the whole issue, and it does great psychological damage to my vision of Canada's greater nationhood, on the very threshold of our national centenary. However, the Government has chosen to proceed in this way, that is, by asking us to repatriate to the imperial Parliament an element of this Parliament's constitutional jurisdiction—especially over the district and county court judges, who are being unnecessarily included in the projected legislation, and over the superior court judges, whose retirement age may be fixed by a purely Canadian amendment to the Constitution under the British North America (No. 2) Act, 1949. I protest most strenuously against this procedure, for I believe that the compulsory retirement of superior court judges, which is the substantive issue against which I do not argue, can be settled at home.

I contend that what we should be dealing with is not a humble address to the Queen's Most Excellent Majesty to cause a measure to be laid before the Parliament of the United Kingdom, but rather an act to amend the British North America Acts, 1867-1952, respecting the retirement of superior court judges at age 75, an act which we can initiate and process here in Canada. For what, honourable senators, and I ask you that again, is the British North America (No. 2) Act, 1949, about and for? By not using this constitutional right which this Parliament acquired in 1949 for the very kind of purposes that this address is now trying to achieve, we are showing a constitutional ineptness, and I believe we are making a retrograde step. I tend to agree with the honourable senator from Vancouver South (Hon. Mr. Farris) that we are in a sense repudiating the very power that we wanted to get in 1949, and which we have now.

In conclusion, may I summarize my position thus: I am in agreement with the substantive proposition that superior court judges should retire at age 75, and I believe that this provision will meet with general Canadian support, but I am not in agreement with the means that have been taken by this Government to attain this substantive goal, and I repeat once again my firm belief that in this case the end does not justify the means.

I am not prepared to go along with the address in this form, first, because it has unnecessarily included into its constitutional ambit district and county court judges, which to me is a very expensive constitutional superfluity; and secondly, because no one has proved to me the necessity of presenting to Her Majesty this humble petition, for I believe that if the retirement of superior court judges does necessitate a constitutional amendment, then this amendment may be made by us here, at home.

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

INDIAN AFFAIRS

REPORT OF JOINT COMMITTEE ADOPTED

The Senate proceeded to consideration of the second report of the Joint Committee of the Senate and the House of Commons on Indian Affairs, which was presented yesterday.

Hon. James Gladstone moved that the report be adopted.

He said: Honourable senators, at this time I wish to present an interim report on the work of the Joint Committee on Indian Affairs for this year. As you know, the committee was established in 1959. At that time we did not have time to examine many submissions or hear very many delegations. Instead we were more concerned with contacting the various Indian and non-Indian groups so that we would be prepared for this year.

At the time of adjournment of the committee for 1960 we had tabled approximately 90 briefs and had examined 20 delegations. These included 13 Indian groups and seven non-Indian groups. The latter were made up of provincial government agencies, church groups, and organizations such as the Indian-Eskimo Association of Canada.

I believe that the whole committee has been favourably impressed by the overall quality of the submissions and the sincere efforts which are being made to bring the Indian problems before us. It has been particularly heartening to see how many of the Indian delegations have been able to conduct themselves so capably in outlining their people's problems. This is a clear indication of the progress which has been made among the Indians since the last joint committee in 1946-48. At that time lack of education was the main factor preventing many of the bands from clearly stating their cases.

There have been a number of points repeated again and again by the delegations. Most important has been the need for improved education, that coming generations may be more able to look after themselves in our modern society. I believe many of the delegations recognized the great strides already made in this field within the past decade. There is much still to be done.

At this point, I add the personal observation that the time is rapidly approaching when all Indian education should be handled directly by the federal Government in a manner that is comparable to the handling of non-Indian communities. Although the missionaries have contributed much to the development of my people, many of our reserves have reached the point where education could be handled more effectively as a non-church enterprise. In addition, this would give the missionaries more opportunities to concentrate on the religious and parochial problems of Indians, young and old.

The fear of section 112 of the Indian Act, dealing with compulsory enfranchisement, has been revealed in a number of the submissions. However the joint committee was reassured by the Honourable the Minister of Citizenship and Immigration on May 11 that this section will be removed or revised.

The extension of the federal vote to my people is another matter that has been mentioned, but here again the Government has already taken action in this field. The assurance of the Prime Minister that none of my peoples' treaty rights will be affected by the vote has been a major factor in the acceptance of the vote.

Hon. Mr. Reid: May I ask the honourable senator a question regarding the report? Did I rightly hear him say that in so far as the enfranchisement of Indians is concerned assurance was given by the minister in charge of Indian affairs that the law would be changed? According to the report, there evidently has been a great deal of protest against giving Indians the vote. Did I correctly gather from what the honourable senator said that he has been given assurance by the minister that that will be looked into?

Hon. Mr. Gladstone: From observations on my recent trip back home, I would say many of the Indians have altered their minds since they were reassured by the Prime Minister and the minister that none of the treaty rights would be endangered by having the right to vote.

Hon. Mr. Haig: Question.

Report adopted.

The Senate adjourned during pleasure.

At 5.40 p.m. the sitting was resumed.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Patrick Kerwin, Chief Justice of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Deputy of the Governor General was pleased to give the royal assent to the following bills:

An Act for the relief of Joan Emily Wills Meehan.

An Act for the relief of Vivian Phyllis Steine Skolnik.

An Act for the relief of Erwin Thomas Steppan.

An Act for the relief of George William Douglas Edmonds.

An Act to incorporate Northern Pipe Line Company.

An Act to incorporate Allstate Insurance Company of Canada.

An Act to incorporate Western Surety Company.

An Act to incorporate The Wawanesa Mutual Life Insurance Company.

An Act respecting The Wawanesa Mutual Insurance Company.

An Act to amend the Old Age Security Act.

An Act to authorize the construction and maintenance of a bridge across the St. Lawrence River at or near the Town of LaSalle, in the Province of Quebec.

An Act respecting the International Boundary Commission.

An Act to authorize the provision of moneys to meet certain capital expenditures of the Canadian National Railways System for the period from the 1st day of January, 1960 to the 30th day of June, 1961, and to authorize the guarantee by Her Majesty of certain securities to be issued by the Canadian National Railway Company.

An Act to amend An Act to amend the Railway Act.

An Act to amend the Emergency Gold Mining Assistance Act.

An Act to amend the Estate Tax Act.

An Act respecting the International Development Association.

An Act to amend the Customs Tariff.

An Act to amend the Excise Tax Act.

An Act to amend the War Veterans Allowance Act, 1952.

An Act respecting the construction by the Canadian National Railway Company of certain railway terminal facilities at and in the vicinity of the City of Toronto.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. William R. Brunt: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, July 12, at 3 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until Tuesday, July 12, at 3 p.m.

THE SENATE

Tuesday, July 12, 1960

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

Prayers.

PUBLIC SERVICE SUPERANNUATION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-76, to amend the Public Service Superannuation Act.

Bill read first time.

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DEPARTMENT OF FORESTRY BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-82, respecting the Department of Forestry.

Bill read first time.

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

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled:

Report of the Department of External Affairs for the year ended December 31, 1959, pursuant to section 6 of the Department of External Affairs Act, Chapter 68, R.S. 1952. (English and French texts).

Report of Canadian Overseas Telecommunication Corporation for the fiscal year ended March 31, 1960, pursuant to sections 22 and 23(1) of the Canadian Overseas Telecommunication Corporation Act, Chapter 42, and sections 85(3) and 87(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English and French texts).

Report relating to the Administration of the Farmers' Creditors Arrangement Act for the fiscal year ended March 31, 1960, pursuant to section 41(2) of the said act, Chapter 111, R.S. 1952. (English and French texts).

CONFERENCE ON LAW OF THE SEA

VOTES ON CANADA'S PROPOSAL RE TERRITORIAL LIMIT AND FISHING ZONE

Hon. Donald Smith inquired of the Government, pursuant to notice:

With respect to the 1960 Conference on the Law of the Sea:

1. How many nations voted—

(a) for; and

(b) against the Canadian compromise proposal of a six-mile territorial limit and an additional six-mile fishing zone under Canadian control?

2. How many nations abstained?

3. How many, and what were the NATO nations which voted—

(a) for;
(b) against; and
(c) abstained?

4. How many, and what were the nations of the commonwealth which voted—

(a) for;
(b) against; and
(c) abstained?

5. Who was the leader of each of the NATO and commonwealth nations represented?

6. How many NATO or commonwealth nations were not represented?

Hon. W. M. Aseltine: The following answer has been received from the Department of External Affairs:

The proposal voted on at Geneva was sponsored by both Canada and the United States.

1. (a) fifty-four;
(b) twenty-eight.

2. Five.

3. (a) fourteen; Belgium, Canada, Denmark, France, Germany, Greece, Holland, Italy, Luxembourg, Norway, Portugal, Turkey, United Kingdom, United States.
(b) one; Iceland;
(c) none.

4. (a) nine; Australia, Canada, Ceylon, Ghana, Malaya, New Zealand, Pakistan, South Africa, United Kingdom.
(b) one; India;
(c) none.

5. Commonwealth Countries:

Australia—Sir Kenneth H. Bailey, C.B.E., Solicitor General of the Commonwealth of Australia;

Canada—George Drew, High Commissioner to the United Kingdom;

Ceylon—Sir Claude Corea, Ambassador, Permanent Representative of Ceylon to the U.N.;

Ghana—E. O. Asafu-Adjaye, B.A., LL.B., High Commissioner of Ghana in the United Kingdom;

India—Shri. A. K. Sen, Minister for Law;

Malaya—Mohamed Suffian Bin Hashim, Solicitor-General;

Pakistan—M. S. A. Baig, Ambassador to Switzerland;

New Zealand—Robert Q. Quentin-Baxter, Deputy Permanent Representative to the U.N.

United Kingdom—John Hare, M.P., Minister of Agriculture, Fisheries and Food;

Union of South Africa—M. I. Botha, Envoy Extraordinary and Minister Plenipotentiary to Switzerland;

NATO Countries:

Belgium—Joseph Nisot, Ambassadeur Extraordinaire et Plenipotentiaire Honoraire de S.M. Le Roi des Belges, Conseiller Juridique a la Delegation Permanente Aupres de l'Office Europeen des Nations Unies;

Denmark—Dr. Max Sorensen, Professor of Law at the University of Aarhus, Counsellor to the Ministry of Foreign Affairs on matters of International Law;

France—André Gros, Professeur des Facultés de Droit, Conseiller d'état en Service Extraordinaire, Jurisconsulte du Ministère des Affaires Etrangères;

Germany—Peter H. Pfeiffer, Ambassadeur Extraordinaire et Plenipotentiaire;

Greece—A. Vlachos, Delegue Permanent auprès de l'Office Européen des Nations Unies;

Iceland—Gudmund Vr. I. Gudmundsson, Minister for Foreign Affairs;

Italy—Francesco Mameli, Ambassador, Vice-President of the Council for Diplomatic Claims;

Luxembourg—Ignace Bessling, Delegue Permanent auprès de l'Office Européen des Nations Unies et du Bureau International du travail;

Netherlands—W. Riphagen, Legal Adviser, Ministry of Foreign Affairs;

Norway—Oscar Christian Gundersen, Ambassador Extraordinary and Plenipotentiary;

Portugal—Dr. Albano Nogueira, Minister Plenipotentiaire, Directeur General Adjoint des Affaires Economiques et Consulaires du Ministère des Affaires Etrangères;

Turkey—Feridun Cemel Erkin, Ambassadeur Extraordinaire et Plenipotentiaire;

United Kingdom—See above;

U.S.A.—Arthur H. Dean, Ambassador.

6. None.

CANADA COUNCIL

SCHOLARSHIPS FOR NATIONALS OF FOREIGN COUNTRIES

On the notice of inquiry by Hon. Mr. Pouliot:

What is the amount of each of the fellowships for nationals of foreign countries enumerated in the Categories described as 8*a* and 8*b* of the Second Annual Report of the Canada Council?

What is the particular object of each of these fellowships?

Hon. Mr. Aseltine: Stand.

Hon. Mr. Pouliot: Honourable senators, I would ask the Government to be diligent in answering this inquiry, which has been on the Order Paper for a month and a half.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—MOTION AMENDED—DEBATE ADJOURNED

The Senate resumed from Thursday, July 7, the adjourned debate on the motion of Hon. Mr. Aseltine:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges.
30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. Arthur W. Roebuck: Honourable senators, it is with a certain diffidence that I rise today to address this house on the resolution now before us, in view of three powerful, comprehensive addresses that have already been made to you. It is not necessary for me to attempt to repeat the marshalling of evidence as has been done by the honourable Leader of the Opposition (Hon. Mr. Macdonald) in most capable form, in the masterly

address by the honourable senator from Vancouver South (Hon. Mr. Farris) and in the very fine argument presented by the honourable junior senator from Winnipeg (Hon. Mr. Wall). A further discussion of that nature is unnecessary and so inadvisable, but, at the same time, I feel it is essential on my part to state my own personal position in connection with this matter; and, of course, if I can simplify the problem before us that too would be of some service.

This resolution, like Caesar's Gaul, can be divided into three parts. May I state what I think the resolution means in the three divisions into which it naturally falls? We humbly pray that Her Majesty the Queen will induce the Parliament at Westminster on our behalf to legislate in respect of Canadian domestic affairs to these following effects:

No. 1: That the retirement of Canadian judges of the district and county courts for misconduct or incapacity be no longer governed, as it has been in the past, by the Judges Act of the Canadian Parliament but instead by a provision inserted in the British North America Act of the imperial Parliament at Westminster, so that thenceforth we could vacate the offices of such judges only by addresses of the Senate and House of Commons, that is, by parliamentary impeachment. That is the first division.

No. 2: That the terms of office of Canadian district and county judges be no longer governed by the Judges Act of the Canadian Parliament, as it has been in the past, but that it be placed beyond our legislative competence and fixed at 75 years of age by authority of the Parliament of Great Britain, by amendment to the British North America Act, an imperial statute which can be changed by us only by address of both Houses of Parliament to Her Majesty the Queen.

No. 3: That Canadian judges of superior courts who now are appointed for life during good conduct, by virtue of a provision of the British North America Act, shall retire at the age of 75 years by virtue of an amendment to that imperial statute. That is how I read this resolution.

I think it might be well for us to realize, as we think over this resolution, that when the British North America Act was enacted in 1867 by Queen Victoria, by and with the consent of the Lords spiritual and temporal and the Commons at Westminster—not here —Canada was then just emerging from the status of a Crown colony. It might also be borne in mind in a general way, as we think about this matter, that the British North America Act itself at that time conveyed to the people of Canada a very limited local autonomy. Our foreign affairs were conducted from an office at Westminster. Now the situation is vastly changed. Canada has, subsequent to the British North America Act, acquired a national status, and it is pertinent now to observe that the parliamentarians who passed the British North America Act in the first place, and those who amend it today, although they do so only on our request, did not and do not live in Canada. They are not responsible to Canadian electors. They sit in assembly on the other side of the Atlantic Ocean, some thousands of miles away. They can be approached only by an address by both houses of this Parliament to Her Majesty the Queen. Consequently, in view of these changes and facts, any transfer of powers from the Canadian Parliament, and therefore the Canadian people, to imperial jurisdiction is a serious crippling of Canadian autonomy. As a Canadian, that appeals to me as serious beyond measure. Let the substance of the matter be ever so small, the principle involved is atrocious.

A half century ago the Parliament of Canada enacted in the Judges Act that district and county court judges should retire at 80 years of age. Later the retirement age was changed to 75 years. The important fact is that the Canadian Parliament exercised the power of setting the retirement ages of the judges of these courts very many years ago.

Hon. Mr. Bruni: Do you know the date when the change was made from 80 to 75?

Hon. Mr. Roebuck: Oh, it was just shortly after. The exact dates do not matter much. What counts here is that for nearly half a century we ourselves have exercised that jurisdiction. And in addition the Parliament of Canada exacted that our judges might be retired for misconduct or for incapacity by the Governor in Council and not necessarily by the tremendous proceeding of parliamentary impeachment, which was not required.

The Judges Act has been in force now for all those years. It has been acted upon and is fully established. Judges have been removed from office from time to time, not always by direct action of the statute. I can remember two cases where they were removed because of the statute; they voluntarily retired in consequence.

During all that period, honourable senators, no one has questioned our authority to act in that way and no one has challenged the constitutionality of the Judges Act—no one has until just recently, when the Minister of Justice and the Leader of the Government in this house (Hon. Mr. Aseltine) mentioned doubts in connection with the matter as a justification for the resolution at present before us.

Now, honourable senators, it does seems to me to be truly ridiculous that we in this Parliament should petition the Queen to ask the United Kingdom Parliament to legislate with regard to powers which our Parliament already possesses. That looks to me to be just silly. It is more than ridiculous. It will certainly tend to bring us into contempt among the statesmen on the other side of the ocean and certainly it will do no good to ourselves. But more than that, it will constitute a repudiation by this Parliament, guided by this Government, of the powers conferred upon us by the original British North America Act. It will be an abdication of our constitutional right, it will be a reversion to a colonial status and a retrograde step in every respect.

Honourable senators, as you know, I am first and foremost a Canadian, but not a little silently all around me, "And so am I." I am first and foremost a Canadian, and not a little Canadian, however. I am not referring to my own stature. I am referring to "little Canada". I am not a Canadian of "little Canada" status nor am I a Canadian of colonial thought. All my adult life I have stood for the autonomy of Canada and for the control of our own domestic and foreign affairs by our own people and by our own Parliament. And just reminiscing, honourable senators I have rejoiced, as most of you have, if not all of you, in the declaration of the Imperial Conference of 1926 that Great Britain and her dominions are autonomous communities equal in status in no way subordinate one to the other in any aspect of their domestic or internal affairs, and equally I rejoiced later on in the Statute of Westminster that carried into law the spirit of the conference of 1926 in what was called the Balfour Declaration.

I believe in Canada as a nation, and I have observed with an infinite satisfaction over the years Canada's development in nationhood and her status among the nations of the world. Nor am I the first of my family to entertain such sentiments and such views. I have in my hand a book that has been on my family shelves for more than 100 years, entitled *The Colonies of England,* written by the Right Honourable John Arthur Roebuck, Q.C., for whom, by the way, I was named. The real purpose of this book is to set forth a plan of federation of the colonies with the fullest and widest of local autonomy. This book was published in 1849, long prior to the actual accomplishment of Canadian Confederation. I perhaps should apologize for a discussion of personal matters, but I am sure I shall be pardoned in so kind an audience as this, if I trespass in this regard.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Roebuck: Thank you. It makes clear my own position, because what I intend to say is so much in point.

As I have said, the book was published in 1849, and its main purpose was to advocate a Canadian Constitution which was almost duplicated by the one we adopted in 1867. And, by the way, it included Newfoundland, and not only the colonies or the provinces which were at that time in existence—Upper Canada and Lower Canada, the Maritime provinces, and a bit of a settlement in British Columbia—but also the great Northwest, as we later on named it. My uncle described this as one of the most fertile territories in the control of the Crown, and he said that were all these provinces unified and given a central administration with local self-government, the then "wild west" would become the Germany of North America. By that he had reference to the fertility and productiveness of the German people.

For many years before and after the rebellion of 1837 my uncle advocated in annual speeches in the British House of Commons that the existing and future provinces of British North America should be federated and given the fullest control over their own affairs. As long ago as 1834 in that house he drew a vivid picture of the mismanagement, misgovernment, corruption and tyranny about which the settlers at that time were so furiously complaining, and he moved for a committee to inquire into the affairs of the Canadas. The request was granted, so far as Lower Canada was concerned, and the committee did make its inquiry. Information which it obtained was of conditions so evil that the British Government refused to allow the committee's report to be made public.

John Stuart Mill, whom you all know as the great political economist, in his autobiography says of John Arthur Roebuck:

> He was the first to commence, and for years to carry on almost alone, the contest for the self-government of the colonies.

Mr. Roebuck envisaged a mighty nation on the north half of the North American continent, the result of a confederation of provinces existing and to be created, as Canada is today, with an organization, a freedom and autonomy such as he preached and advocated.

After the rebellion of 1837 a bill was introduced into the British House of Commons to annul the Constitution of the Canadas. Mr. Roebuck happened to be out of Parliament at that time, and he petitioned Parliament to be heard. He was given audience at the Bar of the House of Commons, and there he defended the colonies. He recounted their just complaints, and he asked for reforms

which would remove their grievances, reforms by way of self-government. The bill was passed in the House of Commons, and sent to the Lords. Mr. Roebuck then petitioned the House of Lords for the privilege of addressing their lordships on the question of the Canadas. His petition was granted—a most unusual thing to be done—and in December 1838 he presented an 83-page address to as many as, the records say, 150 peers and a large delegation from the House of Commons. Once again the bill was passed. As a result of the arguments which he presented on the facts which he recounted and which he so well knew, there arose among the British people at that time a sentiment with regard to the Canadas which would never have existed had it not been for his efforts.

Mr. Roebuck at that time was recognized as the leading parliamentary authority on Canadian affairs, and in 1838, when Lord Durham came to Canada, commissioned by the British Government, to inquire into the grievances of the colonists and to suggest methods of reform, he asked Mr. Roebuck for a memorandum. One was given; I have a copy of it. He was far ahead of the thought of his times. The plan which he laid before Lord Durham was almost a counterpart of the Confederation of today.

On reaching Canada Lord Durham made a proclamation in which he suggested the principles of what was known at that time as the Roebuck plan. Roebuck warned Durham that there were forces in the colonies that would oppose any reformation of a democratic character. This is what he said:

> A small body of persons in Canada, as elsewhere, desire to rule over their fellows without responsibility. The sinister interests in Canada are those of the minority seeking to domineer by force or by fraud over the suffering majority.

It seems unfortunate that Lord Durham did not heed that warning, and that he allowed himself to be frightened off by the privileged governing clique of that time and its controlled press. As you remember, he recommended the union of the two provinces, which was a tragic mistake and ended in most regrettable failure. The result was that Lord Durham delayed Confederation of the Dominion of Canada as we know it for more than 25 years.

Speaking some years later in connection with a motion regarding the Hudson's Bay Company, which was asking for further powers which my uncle strongly opposed, Mr. Gladstone remarked that in matters relating to British policy in North America Mr. Roebuck "has frequently been the expositor of truths, at an early date, which although not at once acknowledged have subsequently obtained complete recognition".

One such truth which he advocated for many years, and almost single-handedly, was the inspiring benefits which could accrue to the empire from confederation of the provinces of North America under a democratic constitution of freedom. That has been thoroughly and completely recognized.

But, I am sorry to say, there are still some who doubt the full measure of our nationhood, and who tend to backslide, shall I say, in this matter of Canadian autonomy.

I take this position on my own account, but that is not all. It is part of my own tradition. My uncle was the first architect of our structure of government, and we Canadians can thank him more than any other statesman for the constitutional freedom and autonomy which we have so long enjoyed. He was the original Father of Confederation.

And now, honourable senators, in the closing years of a long life of Canadian national service, with that record of my own and with such a family history, am I now to reverse the trend of a hundred years and actually vote for a measure to transfer control of Canadian domestic affairs to the Parliament at Westminster?

Let me tell all little Canadians and all those colonial-minded gentlemen who might knowingly—and I emphasize the word "knowingly"—advocate such a course that I would rather be dead than be guilty of such a betrayal. Let the chips fall where they may. I will not vote for this resolution.

Hon. L. M. Gouin: Honourable senators, first of all I wish to compliment most sincerely the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) upon his very eloquent address. He has evoked what he called his family history, but at the same time it is our own history, and in doing so he has shown to us the various steps through which we have gone in order to win our autonomy and our sovereignty.

My own remarks will be much less eloquent and they will, to a great extent, be of a technical nature. First of all, I want to say a word about retroactivity. If the present amendment to section 99 of the Constitution is adopted, judges now appointed as well as future judges will be compelled to retire when they celebrate their three-quarters of a century anniversary. In the United Kingdom an act was passed in 1959 limiting the age of judges to 75 years. It must be remarked that under section 3 of that British act there is a special exemption in favour of the judges already appointed. In Great Britain they are not obliged to retire. They simply have the option of availing themselves of the Pension Act if they choose so to do.

Honourable senators, what does this prove? It proves that in Great Britain the rule of law still prevails, and that it is scrupulously respected. Great Britain is always anxious to respect contracts and vested rights. We speak of the sanctity of contracts, and that expression is in no way exaggerated. I wish to add that I know of no country where the administration of justice is superior to that in Great Britain.

Honourable senators will remember the maxim which we have inherited from the old Roman law *Pacta Sunt Servanda,* namely, agreements, whether they be private contracts or treaties, must be complied with. By the present motion the British Parliament is asked to introduce a retroactive provision in the British North America Act; to any judge appointed before March 1, 1961, which is the proposed date of the coming into force of this amendment, if it is sanctioned, London, at the request of Ottawa, will say: "In virtue of section 99 of the British North America Act you were appointed during good behaviour. Your commission stated in black and white that your appointment was for life unless there is misbehaviour or incapacity on your part." I wish to remark here that section 99 merely reproduces section 37 of the Quebec Resolutions, which declared also that the tenure of judges would be for a lifetime.

I have taken the trouble of reading the *Confederation Debates,* and I must say that on this subject I did not find very much which can throw light on our debate. Everybody seemed agreed at the time that judges should be appointed for life so as to secure their independence. Some of the Fathers of Confederation wanted the judges to be appointed by the provinces instead of by the federal Government, but I need not go into those details. That matter has been settled, and, in my opinion, concerning superior court judges it has been settled in the right way. But now it is proposed that we say to the judges that when they become 75 years of age, even if they are capable of performing the duties of their office, their contract is amended and they must retire. I want to be frank. I admit quite willingly that in what I would consider to be a normal case it is time that a judge should retire when he reaches the age of 75 years. There are exceptions to that rule and I have known, as have my confrères of the Quebec bar, some judges who were more than 75 years of age who were still very remarkable.

I want to make a distinction between a senator and a judge. A judge of the superior court sits alone and, even if he is 75 years of age, he has full responsibility and does not have the advantage which we have here of being able to discuss matters among ourselves and even, at any given moment, to change our opinion because of what our colleagues have said.

I am not pleading a case. I want to try to find what is in the common interest, but at the same time I want to respect what I would call the fundamental principles of law and justice.

Those judges who have already been appointed, as well as future judges, will, upon their compulsory retirement, receive two-thirds of their salary. That may be, after all, a fair pension. In any event, it represents quite a sum of money. But what I am worried about is section 3, which will amend the present section 23(1)(d) of the Judges Act to the effect that the pension which I have just referred to is granted, first, to judges who hold office for at least ten years. There are two alternative conditions. The first one is quite clear. The second one is that the pension will be granted to judges who hold office when the new Judges Act—the bill will be considered by us in a few days—comes into force and becomes operative after promulgation by the Governor General in Council.

I do not know whether there are any judges in what I would call the vacuum category to which I have just referred. I know that some of my confrères of the Montreal bar were appointed at the age of 68 and will become 75 after only seven years of service; consequently, if this first condition of a 10-year tenure of office applies, they will not qualify for any pension, as far as I can tell. If I am wrong I am ready to be corrected.

The other alternative is that, if I understand the clause correctly, the judges will receive an annuity of two-thirds of their salary if they become 75 years of age after the act comes into force which, I would imagine, will be March 1, 1961, the same date as it is proposed that the amendment to the British North America Act shall come into force. There may be judges in a similar position to that of a very good friend of mine who has not had 10 years in office and who may very well reach 75 years of age before the coming into force of this act. I want, without any improper intention, to point this fact out to the honourable Leader of the Government (Hon. Mr. Aseltine) so that something may be done to remedy an apparent injustice to those judges who will not have 10 years of service and who will become 75 years of age before March 1, 1961, or whatever date section 3 of the Judges Bill comes into effect.

The pension I have mentioned is a fair one, but nevertheless it deprives judges now appointed of one-third of their salary. That is something that was given to them under a contract under the Great Seal signed by

the Governor General, the Minister of Justice, and the Secretary of State, providing that they would be entitled to their full salary during their whole life or as long as they were not incapacitated. In this respect I would like to refer my honourable colleagues to *Hansard* of the House of Commons, 1960, page 4892, column 1, where reference is made to the annuity equal to their full salary which was granted to judges of the Supreme Court and of the Exchequer Court who have been retired compulsorily in virtue of the 1927 statute.

As to the 1927 statute I merely want to quote the remarks of the Right Honourable Mr. Bennett who, by the way, was always exceedingly kind and courteous to all lawyers, including myself. These remarks were reported in the Commons *Hansard* of 1927 at page 1556 and were reproduced in the Commons *Hansard* of 1960 at page 4892. Mr. Bennett said that such judges compulsorily retired should draw their full salary because:

> ... nevertheless good faith and morals, in my judgment, impose upon us that obligation and it is an obligation which we should not lightly disregard.

Mr. Bennett added that he did not believe:

> That the Canadian people would approve of our departing from the general principle that the Government must—as in times past—have respect for the sanctity of a contract made between a servant of the Crown when he entered the employment of the state ...

On that point Mr. Bennett had the very great merit of converting Mr. Lapointe. He did not accept Mr. Bennett's opinion in 1927, but the conversion came three years later in 1929-30. Then legislation was introduced to grant full salaries to judges who were affected by the retroactive effect of the 1927 legislation.

In 1933 a very good friend of mine, who had been at Oxford with me, the late Maurice Dupré, then Solicitor General, introduced a bill with respect to the salaries of judges when they reached the age of 80 or 75. The bill was passed in the other place, but it was killed in the Senate. If I remember correctly, it was suggested that the amount of the judges' salaries be reduced to one dollar. It was not a very fair way of proceeding. As a lawyer, I think it is my duty to remind honourable senators that in some cases retroactivity in itself becomes a monstrosity. I do not suggest that it is so in this case, that we sacrifice or slaughter the old judges who are now exercising their duties.

I remember very well when I entered the law faculty, the first legal rule we were taught was this principle of non-retroactivity. It is formulated at the very beginning of the *Code Napoléon*. I now quote article II of this code:

> La loi ne dispose que pour l'avenir, elle n'a pas d'effet rétroactif.

In English this means, "The Law disposes only for the future; it has no retroactive effect." That principle, of course, has been affirmed again and again through the courts, by the Supreme Court of Canada, and by the Superior Court and the Court of Appeal of the province of Quebec. The principle is so evident that our codifiers in 1865 did not insert in our Civil Code article II of the *Code Napoléon*; they were of opinion that it was not even necessary to reproduce it. It is borrowed from Roman law and has always been recognized, to the best of my knowledge, in all systems of legislation. There are people who always insist upon the differences between English common law and French civil law. There are differences, of course, but when you come to certain basic principles of justice, they are the same in the English common law and the French civil law, though expressed in different language.

So the codifiers remarked that this rule of non-retroactivity was correct. Migneault, in his *Droit Civil Canadien*, volume 1, page 66, precisely reproduces those remarks.

I wish to add here that in an appendix to our *Minutes of the Proceedings* for June 29 last, at page 602k, it will be found that at its Vancouver meeting in 1959 a resolution was adopted by the Canadian Bar Association suggesting that judges of the superior court retire at 75, but also suggesting that the question of constitutional amendment be submitted by way of a reference to the Supreme Court of Canada. That resolution, which also is reproduced in the appendix to the *Minutes*, contains no request for a retroactive effect to be given to the age of retirement of the judges of the superior court. The same is true of all the letters which were received by Mr. Fulton from the various Attorneys General, and which are reproduced in the appendix to our *Minutes of the Proceedings* of June 16, at page 560c and following.

Honourable senators, as you know, our Quebec Civil Code is to us a sacred book, something like a bible, because it reproduces the old custom of Paris. Of all the commentators on our code, the jurist who enjoys the greatest authority is the Honourable P. B. Migneault, who was for many years a member of the Supreme Court of Canada. I would like to translate a few remarks from Migneault's *Droit Civil Canadien*, volume 1, page 66:

> If laws applied to the past, if a right legitimately acquired might be taken away, there would no more be either any civil liberty, nor any security; the life, fortunes and honour of private citizens would be deprived of any guarantee, they would forever be put in question: society could not possibly exist.

Of course, I admit at once with Migneault that, constitutionally speaking, we can give retroactive effect, or retrospective operation, as you sometimes say in English, to law, but as Migneault says at page 67, paragraph 2—I translate again:

It is well understood that the lawmaker may enact retroactive laws. If the lawmaker abuses that power, if he exercises it in an unjust and inhuman way, the law decreed may without doubt be criticized, but as long as such law has not been abrogated, it must be obeyed.

The real test of retroactivity, whether it is unjust in some cases, in some cases monstrous, or whether, after all, it be perhaps justified in the common interest, is whether or not it takes away some vested rights from somebody, because law is there to enforce rights and not destroy them, otherwise it would be anarchy, it would no more be a society in which justice prevailed.

Migneault then distinguishes "vested rights" from what he calls weak and vague expectations. In volume 1, at page 69, paragraph 2, he says:

Vested rights are rights already acquired at the time of the promulgation of the act and must be respected.

By acquired rights, Migneault means strong expectations, on the realization of which citizens are justly entitled to rely. In other words, as he says in the last paragraph on page 68, volume 1:

It cannot be assumed that a new act governs the consequences of previous facts, that it destroys expectations which citizens have lawfully entertained in virtue of the previous legislation and on the fulfilment of which they firmly rely. Such retroactive effect would be unjust and by the grievances which it would cause concerning private interests, it would create disorder in society. The lawmakers must naturally be presumed to respect expectations, the destruction of which would be a source of disaffection and trouble.

Honourable senators, the author whom I have consulted most in my legal career is Baudry-Lacantinerie. In his *Précis*, volume 1, Nos. 48 to 49, he distinguishes between "interest" and "rights," and I believe that such words are now more commonly used with respect to this matter. Baudry-Lacantinerie affirms:

Private interest must give precedence to general or social interest, but acquired rights prevail over general or social interest.

From the larger treatise of Baudry-Lacantinerie, *Traite de Droit Civil*, third edition, volume I, I wish to translate two or three paragraphs:

No. 126: A previous law governs alone the legal acts which have been definitely accomplished while such law was in force and it governs also all their consequences; the new law cannot have any effect on them.

No. 127. Nobody can pretend to suffer a real prejudice by this extension of an act, as long as it does not take away from him any vested right.

I pause to say that the increases in the salaries of judges granted at various times did not of course take away from them any vested rights; they conferred in their favour some additional remuneration for their future services. As a matter of fact, the salary increases took into consideration the increased costs of living and loss of purchasing power of the Canadian dollar, and personally, I believe, put them pretty much in the same position as they were in before.

I resume quoting from Baudry-Lacantinerie:

A new act is without effect, its power must cease when it meets with an actual right sanctioned by the previous act under the rule of which it originated. By affecting prejudicially such a right, the new act would be a cause, not of progress, but of disorder; any security would be excluded from dealings and the act would become obligatory before even it begins to exist; this would be unjust and contrary to common sense and also to the very principles of the promulgation of laws.

And, in the next paragraph Baudry-Lacantinerie states:

No. 128: An act becomes retroactive when it hurts vested rights, because what had been acquired, before it, is taken away by such act and lost by the party who had acquired such right.

That principle that statutes should not be retroactive is recognized in English common law as it is affirmed in French civil law.

From Maxwell, *On the Interpretation of Statutes*, sixth edition, I wish to cite the following two short extracts wherein he discusses the retrospective operation of statutes, which is an expression equivalent to retroactivity. At page 381, I read:

Upon the presumption that the Legislature does not intend what is unjust rests the leaning against giving certain statutes a retrospective effect.

Maxwell here cites the *Institutes*, ii, at page 292:

Nova constitutio futuris formam imponere debet, non praeteritis.

Which, translated, means:

A new law ought to regulate what is to follow, not the past.

Those acts are construed as operating only in cases or on facts which come into existence after the statutes were passed, unless a retrospective effect be clearly intended.

Following this first quotation I want to quote from Maxwell again, at page 391, which is an even more significant extract:

No rule of construction is more clearly established than this: That a retrospective operation is not to be given to a statute so as to impair an existing right or obligation, otherwise than as regards matters of procedure, unless that effect cannot be avoided without doing violence to the language of the enactment.

Maxwell cites a good many English cases.

Now, honourable senators, the purpose of the motion before us is to ask the imperial Parliament to repeal section 99 of the British North America Act, which reads as follows:

The Judges of the Superior Courts shall hold office during good Behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

That expression "during good behaviour", as we have already seen, has always been interpreted as meaning a life tenure.

The effect of the amendments now before us would be, first of all, to introduce at the beginning of what will be paragraph 1 of section 99, the words, "Subject to subsection (2) of this section", and this subsection (2) is the section where we find the 75-year limit. And in line 2 of that same paragraph 1 we see that instead of simply the words, "superior courts" they have added also, "district and county courts".

In other words, the contemplated amendments to the British North America Act would apply, not only to judges of the superior courts—and in the province of Quebec this means our court of first instance, which is the superior court. It was at one time called the Court of Common Pleas. We have besides that our Court of Appeal, or our Court of Queen's Bench, sitting in appeal. We find county court judges only in the other provinces. I am unable to find in the province of Quebec any district or county court; in the old times there was a circuit court, but it has been abolished. So, I need not say anything about that. The judges of the county courts, like the judges of the superior courts, would become removable only on a joint address of both houses of this Parliament.

Honourable senators, for many years we have had in the Judges Act, R.S.C., (1952) chapter 159, sections 32 and 33. Those sections provide for the dismissal by the Governor in Council of county court judges for misbehaviour, incapacity resulting from old age, or infirmity. To make county judges removable only upon a joint address of both houses, I submit no amendment to the Constitution appears to be necessary. It would have been sufficient to amend sections 32 and 33 of the Judges Act. If the Government had any doubt, or what has been called a residual doubt, as to the validity of the sections which I have just mentioned, the question of their constitutionality should have been submitted by way of a reference to the Supreme Court of Canada. I shall discuss this question in a moment.

Section 26(1) of the Judges Act now provides for the compulsory retirement of county court judges upon attaining the age 75 years. By the statute of 1903, chapter 29—that is what I would call a very old story—the age limit was set at 80 years, and it was advanced to 75 years by the statute of 1913, chapter 28. No proceedings, to the best of my knowledge, have ever been taken to contest the constitutionality of such age limit of county court judges. It was said that some doubt had been expressed, but particulars have never been supplied to give support to that vague remark.

Again, I want to say that if the Government is not absolutely satisfied as to the validity of those provisions, which are about half a century old—that is quite a long time, honourable senators—it would be logical to refer the whole matter to the Supreme Court of Canada. If by its judgment the court declared *intra vires* the provision fixing the compulsory retirement of county judges at 75 years, that would be final and there would be no possible discussion on that point. On the contrary, if an adverse decision were rendered, then and then only would a question of a constitutional amendment arise.

I submit that the present petition is absolutely premature. Moreover, it places us in a position of putting in doubt everything that has been done since 1903. If we go to London we ask the imperial Parliament to do something which presumably we have not the right to do. If we have the right to do it ourselves, there is no reason now why we should undertake that additional pilgrimage. For my part, I do not like to see Canada as an eternal pilgrim to the Old Country. I have no prejudice whatever against the Old Country; my position is that we are perfectly able to settle this question here. If we have the power to do so, there is no reason for our going to London. If we believe we do not have the power, we can first submit the question to the Supreme Court of Canada. If that court decided that a constitutional amendment is necessary, I would not come at once to the conclusion that it is necessary to present a humble petition to Her Gracious Majesty. By virtue of the amendment to the British North America (No. 2) Act of 1949 I am convinced that we have the right to amend here our own Constitution as to section 99. Section 91(1) of the British North America Act, 1867, as amended by the British North America (No. 2) Act, 1949, states in a few words that it is only in matters assigned exclusively to the provincial Legislatures that such amendments cannot be made in Canada. Of course in the present case the subject-matter, far from being assigned exclusively to the Legislatures, is a matter which belongs to the federal authority, to the Canadian Government, which appoints the judges, not only of the superior courts but also of the county and district courts.

Honourable senators, if you look at the various resolutions which since 1936 have been adopted by the Canadian Bar Association, the most recent resolution is that which was adopted at the Vancouver meeting held in September 1959, which reads:

> Resolved that the Canadian Bar Association reiterates its recommendation for the compulsory retirement of superior court judges at the age of 75 years, and suggests that the question whether Parliament has, under the British North America Act No. 2, 1949, power to amend the Constitution of Canada to so provide be submitted to the Supreme Court of Canada.

There is not one word in that resolution concerning county court judges, or whether it is a question of amending the Constitution to cover the retirement at 75 years of county court judges, or to cover the point of having such judges removed only upon a joint address of the two houses of the Canadian Parliament. The previous resolutions, which are reproduced in an appendix to our *Minutes of the Proceedings* of June 29, 1960, contain no reference to county court judges.

So I submit that if an amendment is to be made, it could be done in virtue of the British North America Act, as amended in 1949. If anyone has any doubt as to the validity of such amendment, I submit that clearly the proper way to proceed would be to apply by way of a reference to the Supreme Court of Canada. If this had been done at an earlier time—and I would remind you that the resolution of the Canadian Bar Association is dated September 4, 1959, ten months ago—we would have had a judgment rendered by this time and we would know exactly where we stand.

Personally, I do not see how there can be any hesitancy about the power of the Canadian Parliament to deal with a question which concerns judges. I regret very much indeed that we are asked to go to an outside Parliament, to apply to the Mother of Parliaments for her decision on a matter which, in my opinion, we possess complete jurisdiction. Thus, the present address seeks to replace the Canadian Parliament by the British Parliament in respect to something which up to date has always been considered as being within the exclusive jurisdiction of this Parliament. No previous Government has ever taken that attitude. Frankly, I believe it is inspired by an old-fashioned colonialism, and is absolutely inconsistent with the Statute of Westminster. Instead of repatriating our Constitution, we are now asked to expatriate a little more of it to Great Britain, and to pray—and I find that the strangest thing—to pray for the limitation of our sovereignty. Indeed, our behaviour here is without any precedent. For more than fifty years we have been able to deal with our county court judges, and in this year of Grace, 1960, this motion would set back the hands of the clock of history, to accomplish what I cannot call a progressive step or even a conservative step. It is a retrograde step. This motion would abandon to London a part of our hard-won autonomy and, I want to add, it is a strange preparation for the celebration of the centenary of Confederation in 1967. I am opposed to such a gesture of colonial dependency.

I accept this principle of retiring future judges of our superior courts upon their attaining the age of 75 years, and I consider this to be in the common interest of Canada. I cannot agree, however, with the ways and means which have been chosen to attain that purpose. We are told in philosophy that the end does not justify the means. This amendment by the imperial Parliament may be necessary for the compulsory retirement of superior court judges, because the terms under which they were appointed are contained in black and white in section 99 of the British North America Act. If that is so this motion should be at least amended and restricted to such superior court judges. I cannot vote for it in its present form.

However, honourable senators, I want to congratulate the Government upon first obtaining the consent of all the Attorneys General of the provinces to an amendment fixing the age of retirement of superior court judges at 75 years. I am exceedingly glad that such consent was obtained, and I believe it is a good sign for the future; but in the correspondence exchanged between the Minister of Justice and all the provincial Attorneys General I have seen no reference to an amendment making county court judges removable only upon a joint address of the Senate and House of Commons. Thus, in the future this age limit of judges and the process for the removal of county court judges will require for modification the consent of the imperial Parliament until a wholly Canadian method of amending our Constitution has been agreed upon. Nobody knows when this will happen. It has been said that it is not this Parliament alone which should determine the retirement age of judges of provincial courts, but under the Judges Act it was the Canadian Parliament alone which determined the retiring age as early as 1903. If anybody has any doubt whatsoever as to the capacity of this sovereign Parliament to fix such an age limit for county court judges, then a constitutional amendment should be sought, conferring upon the Parliament of Canada the right to determine within its discretion such retirement age. Our Parliament should be able to decide whether judges should retire at 65 years of age, at 70 years, at 80 years or at any other age. Thus, our Constitution would

not be expatriated and subjected by an increased degree to the jurisdiction of an outside Parliament until a purely Canadian method for a constitutional amendment is finally devised.

When a purely Canadian method for constitutional amendment is finally agreed upon, it must be only Canadian authorities which will be vested with the power of amending the Constitution. Why is that principle not acted upon now? If the Government takes the position that the consent of the Attorneys General of the various provinces must be asked—and this is something to which I personally have no objection—it would be easy to insert in the amendment something to the effect that the consent of the Attorneys General of the provinces, or the majority of the provinces shall be obtained, or that the consent of the Legislatures of the ten provinces of Canada, shall be obtained, if the Government believes that it is better to have all those additional precautions. Surely nobody could ask for more guarantees than those which I have just mentioned.

In other words, if any power is needed, such power should be conferred once and for all upon Canadian authorities. It is very fine, and even touching, to express a desire to repatriate and take back home our Constitution. Such intentions are praiseworthy, but we are asked to do precisely the contrary. There is an old saying that deeds mean much more than words. In the present case we are very far from taking a step forward in the direction of constitutional autonomy. We are going back to pre-Confederation days, and we are giving to the British Parliament rights which it has not enjoyed since 1867. We are asking an outside Parliament to take away from us some legislative powers which belong to Canada, and which have always been exercised by Canada. We are obliging ourselves to undertake in the future some more of those pilgrimages to London which are not now required.

The resolution prays, moreover, that the Constitution be amended with retroactive effet. Therefore, we request the Parliament at Westminster to violate a fundamental principle of law. Honourable senators, if our Constitution can be amended retroactively where judges are concerned, a day may come when an application will be made for other amendments having such retroactive effect.

I want to use as my concluding words a quotation from Mr. Justice Mignault which is found in volume 1 of *Droit Civil Canadien* at page 66, and the truth of which I have tried to prove in my remarks. Again I translate:

> If laws applied to the past, if a right legitimately acquired might be taken away, if an act done when it was lawful might afterwards be punishable, then there would no more be either any civil liberty or any security; the life, fortune and honour of private citizens would be deprived of any guarantee; they would forever be put in question; society could not possibly exist.

Honourable senators, once people begin to put aside a basic principle of law and of justice, such as the non-retroactivity of a statute, we are obliged to ask ourselves when and where such a course stops. Nobody can be sure of what the future holds in store for us when there is a violation of some essential rights and when, moreover, we give away part of a hard-won sovereignty.

Hon. T. D'Arcy Leonard: Honourable senators, so much has been so well and eloquently said that I should not have to detain you for very long, but the matter is important and I should like to put some observations on record, at any rate.

First of all, may I pay a special compliment to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). His address today was one of the most powerful and moving I have heard in this house, and I think we are all indebted to him for his contribution to this debate.

I should like to pay a tribute to our judiciary and to our administration of justice as we have had it in Canada. We have been blessed with a very high standard of administration of justice and, while there may have been exceptions, on the whole we do not need to go far afield to compare our record with that of other countries to realize that in Canada we have had a very high standard. It is, of course, in the minds of all of us that this standard be preserved as a bulwark of democracy.

Having said that, I do agree with the general principle of the amendment proposed in the address whereby a retirement age for judges be set at 75 years, subject to the qualification that I do not agree with the principle of retroactivity. Although we have had a high standard of administration of justice in the past, times are changing and we have greater activity, greater expansion; and, on balance, I think the advantages of a retiring date outweigh the disadvantages, and it will help in the administration of justice in Canada if we set a compulsory retirement age of judges at 75 years.

But there are two points that disturb me in the address. The first is the retroactive feature that I have mentioned, and with which I will deal later, and the other is the application of the proposed amendment to county court judges. This matter has been so fully covered by the honourable senator from Vancouver South (Hon. Mr. Farris) and by the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), that I do not need to labour it any further, but there is

one quotation I would like to put on record that I do not believe has appeared as yet. I refer to what was said by the Right Honourable Arthur Meighen in May 1933, in dealing with a bill to amend the Judges Act at that time. On this subject of county court judges he said:

> We make appointments to the county court bench by virtue of our inherent power as a sovereign state, and as such we can change directly and without restraint the conditions of appointments and the term during which the appointee shall hold office.

Nothing has happened, in my view, to make that eminent opinion less valid now, and it is a retrograde step to go back upon it.

The other matter on which I wish to speak is the retroactive effect of this address in so far as serving judges are concerned. My own view is that there is a principle at stake here and that it is wrong to apply this compulsory retirement age to serving judges.

I think we should make the provision elective; that is to say, adopt the principle established by the Parliament of the United Kingdom last December and allow existing judges to elect whether they will retire on the proposed pension or stay in office.

A number of arguments have been put forward by those who ordinarily might agree with the principle that I have enunciated to justify the retroactivity in this particular case. It has been said that because the appointment was by statute it is not a contract and therefore could be changed by statute. There is no doubt about the power under the British North America Act, if amended, to change the terms of tenure, but it is the propriety and the wisdom and the rightness of the change that concerns me. For example, we hear these days of Fidel Castro expropriating the property of non-nationals. He has that power unquestionably, but it is the exercise of that power and the circumstances under which it is exercised that make it either good or bad. To me in this particular case it is a bad principle to adopt because we are dealing with the tenure of office of judges and the administration of justice.

The question whether there is a contract with the judges, I think, is not particularly relevant. There certainly is an obligation, and it is certainly a breach of faith to alter the terms upon which judges were appointed. Contracts can, of course, be changed by law, or the law may permit contracts to be broken. We are familiar with the circumstances under which breaches are allowed: for example, where a mistake has been made or where the safety of the state may be at issue or where frustration may take place. But none of these circumstances are at all applicable to the situation with which we are dealing here today which, in effect, is to change the terms of an appointment largely on a basis of expediency.

One reason advanced is that because some judges have had their salaries increased since they were appointed therefore they must recognize that their tenure of office can also be changed. With all due respect, I find that is an argument which I cannot follow, either in law or in equity. It would be as though an employer hired an employee on a contract for five years at $10,000 per year, and after one year the employer increased the employee's salary and then a few months later discharged the employee, saying that because he had accepted the increase in salary he must therefore accept the change in tenure. In other words, if a person gives a benefit he is entitled to strike a blow. With that I do not agree, either in law or in equity. In addition to that, of course, there is the point that because of inflation the salaries of judges have changed in terms of the purchasing power of the dollar, and also that there has been a general increase in the salaries of civil servants and people in business, and that the increased salaries have applied to the position and not to a particular individual.

A new appointee would have received exactly the same salary as a judge who had already been in the position. So I don't think there is any validity in the suggestion that, because judges were appointed when salaries were lower and their salaries and pensions have since been increased unilaterally by the Government, therefore they have recognized the right of the Government unilaterally to alter the tenure of their contract. I would also say that there is, of course, no objection to the change in the tenure if it is accepted by the judges, or by any judge. That is why I think it should be on the elective principle. If a judge chooses to retire under the provisions of the amendment at age 75, and to accept the pension, that is perfectly in order. It is toward those judges who might wish to stay on and who are capable of staying on that we should follow the principle of not breaking faith.

I have heard it said that the pension is fair and adequate and that judges should therefore be satisfied with the purpose of compulsory retirement. On the whole, as to future appointments I would say it is fair and adequate, but whether it is fair and adequate to those judges who already hold their positions is a different matter, and the best way of determining that is to leave it to their election. Those to whom it is fair and adequate will accept, and the others will by staying on show that it is not in their case a fair and adequate pension.

The honourable Leader of the Government (Hon. Mr. Aseltine), in introducing the resolution, referred to the precedent set in 1927 with respect to the judges of the Supreme Court of Canada. I do not agree with the precedent set at that time, but if one reads the statute of 1927 with the statute of 1930, one cannot quarrel with the action that was taken in the two years. It will be remembered that in 1930 Mr. Lapointe, after taking a sober second look at what he had done in 1927, was courageous enough to admit his error and to acknowledge that the Leader of the Opposition, the Right Honourable R. B. Bennett, was right. Therefore in 1930 he corrected the error made in 1927.

The two pertinent remarks which I should like to appear on the record and which deal with the two pieces of legislation, are these. In 1927 Mr. Bennett, speaking on the retirement of judges of the Supreme Court of Canada, said:

> What we are doing now involves a breach of contract between the individual who holds office at the present time and the state, because his patent of office declares that he shall hold office during life or good behaviour.

Then in 1930 Mr. Lapointe, referring to those remarks said, as appears in the Commons *Hansard,* at page 1778:

> I did not agree with my honourable friend at the time, but I must say that since I have been reconsidering the matter I have found that there is much force in that contention; and for those judges who were then members of the court, and they are very few indeed, the law will provide an annuity equal to their salary.

I do not think anyone can quarrel with that courageous change in attitude which gave to those judges presently retired the full measure in tangible terms of what they were entitled to. To me, however, even more relevant to the situation we are dealing with today is the precedent set in 1933. In many respects, it was quite similar to the way we are dealing with this matter at the present time.

Honourable senators will recall that a Conservative Government was elected in 1930, replacing the former Liberal Government, but there was a majority of Liberals in the Senate. In the spring of 1933 a Government bill was introduced by the Solicitor General to provide that a judge of the superior court could voluntarily retire at 75 years on a pension equal to two-thirds of his salary, but that if he did not so retire his salary would be cut by one-third, so that he would receive only the same amount for working as a judge as he would get for not working at all. It was an ingenious scheme to do indirectly what the Government did not feel it could do directly. The Government recognized that it could not change life tenure of office, but felt that it could change the salary. The Government took the opposite point of view from that I outlined a few minutes ago, the view of some that if you could change the salary you could also change the tenure. The Government apprently felt it could not change the tenure but that it could change the salary. In effect, the bill was designed to do indirectly what it is now proposed we do directly, that is to compel the retirement of judges at 75 at a pension of two-thirds of their salary, accomplishing this by force of a reduction in salary. In the House of Commons the bill was opposed vigorously by Mr. Lapointe and others. It was carried on a recorded division, and it was interesting to me to see that some of those who voted "on the side of the angels" and against the bill are now in this house today. Nevertheless, it carried in the House of Commons.

In the Senate the bill was sponsored by the Right Honourable Arthur Meighen. It was attacked by the then Leader of the Opposition in this house mainly on the grounds that it should not apply to existing appointments. And Senator C. P. Beaubien said:

> I repeat, the most striking feature of this measure is its crying injustice. The state should respect its contract with individuals.

He said further, as reported in the Senate *Hansard* of May 15, 1933, at page 507:

> I think one serious objection to the bill would be removed if it were made to apply to future appointments only.

Sir Allen Aylesworth, a former Minister of Justice, said, as appears at page 510:

> Whether or not there is any actual contract as to salary, I do say that it would be nothing else than a breach of good faith on the part of Parliament to make this bill apply to judges already appointed.

Again, he said:

> I say it constitutes, if not an absolute breach of contract, at any rate a breach of good faith.

Senator Dandurand said, as appears at page 530:

> If the measure as it stands were made applicable only to judges appointed in the future no injustice would be done,...

To the everlasting credit of the Senate, the bill was defeated by the Senate on second reading.

It is interesting to observe the sequence of events. It is generally supposed that the Senate is not as closely attuned to the mind of the public as are the elected members of the House of Commons. But on matters which have not been directly at issue before the electorate it may well be that senators are at least equally able to take the pulse of the public. Certainly no dire consequences ensued when the Senate turned down that

bill in 1933. On the contrary, the election of 1953 resulted in a change in government. I believe that every member of the House of Commons who voted against the Judges Bill in 1933 and who ran for Parliament in 1935 was re-elected. In the light of history the action of the Senate was fully justified.

Just a word about the correspondence with the Attorneys General of the provinces. As has been mentioned, the correspondence says nothing about the application of the amendment to sitting judges. In the light of that correspondence, the Minister of Justice could just as readily have eliminated the retroactive effect of the amendment. I am satisfied that such action would have been fully justified by the consents given. After all, the matters of the appointment, salaries, and pensions of judges are all clearly subjects of federal jurisdiction, and the consents of the provinces are simply part of the present method of procedure for amending the Constitution. They cannot be said to justify nor to condemn the application of the amendment to existing appointments.

I say the same is in effect true with respect to representations from the Canadian Bar Association. I have been a member of that association for many years. I was on its council for a long time. My own recollection is that it is mainly the principle of the retiring age with which the association was concerned, and not its application to those who had already been appointed for life. I am completely satisfied in my own mind that if a right of election was given to sitting judges the general feeling of the bar of Canada would be on our side.

Now a word as to the precedent so recently established by the British Parliament last year, and which the honourable senator from De Salaberry (Hon. Mr. Gouin) mentioned. Their act, the Judicial Pensions Act, was passed in December 1959. They have had the same question before them for a much longer time than we have in Canada. They have had commissions going back as far as 1913 dealing with tenure of office of judges and the question of the retirement age. These commissions have recommended over the years that there be a compulsory retirement age.

The Bar Council of England made a similar recommendation, but nothing was done until last year, when the Attorney General, Sir Reginald Manningham-Buller, brought in a bill to establish a fixed retiring age of 75. The important section, section 2, reads as follows:

> A person who holds an office listed in the first schedule to this act shall vacate that office on the day on which he attains the age of 75 years.

Then section 3(1) cures the retroactive effect, and this is the type of provision I think we should have with respect to our judges in Canada. It says:

> The foregoing provisions of this act shall not apply to any person who holds an office listed in the first schedule to this act at the commencement of this act, unless he elects that those provisions shall apply to him,

Then it goes on with provisions not relevant to the point I am making.

In the discussion in the House of Commons and the House of Lords with regard to the retroactive effect it seemed to be taken for granted on all sides unanimously that it was not proper to interfere with the existing appointments. No one disagreed with that proposition.

The Solicitor General, Sir Jocelyn Simon, said:

> There has been a long established principle that in amending legislation one should respect the legitimate expectations of people who are at present in office when there is a change in the conditions of service.

The Lord Chancellor, Lord Kilmuir said in the House of Lords, speaking of the effect of that bill:

> It is entirely for him to decide whether he wishes to take advantage of the new scheme. Otherwise the retiring age may not be applied to existing judges. I am sure Your Lordships will agree with that principle. They have taken office on the basis of no retiring age, and unless they want to come into the scheme, it should not apply to them.

There are some who may fear that if the retirement of existing judges was on an elective basis, it would keep on the bench for many years judges who should retire. If the pension provision is fair, and I think it is, on the whole, fair, I think many judges, and probably the majority of judges, will elect to accept the pension and to retire. As to those who might not so elect, we now have power to deal with them if they are not able to perform their duties. It is true that power has not been used—

Hon. Mr. Euler: How would you do it?

Hon. Mr. Leonard: There is a provision in the act for appointment of a commission to inquire into the ability of a judge to perform his duties.

Hon. Mr. Brunt: Would that not be a very embarrassing procedure?

Hon. Mr. Leonard: It may have been in the past, but this situation changes the whole picture. In the first place we will now have a general retiring age of 75, which is applicable to all new appointments. In the second place, you will find that most judges, in my opinion, would retire at 75, so that the onus would bear very heavily on any judge who continued after 75 and whose ability to perform his duties was questionable.

Hon. Mr. Euler: But in case a judge would not retire when it was evident to everyone that he should retire, what action could be taken to force him to retire? I am thinking of the mechanics of the situation.

Hon. Mr. Leonard: There is a provision in the Judges Act for appointment of a commission to inquire into the status of a judge. I am speaking now subject to my recollection and subject to correction, but I believe the procedure is that if the commission finds he is not able to carry on, his salary is reduced to $1. It may be that someone else can answer that question.

Hon. Mr. Choquette: But any impeachment of him would have to be passed by the House of Commons and the Senate.

Hon. Mr. Brunt: And all those proceedings would be very embarrassing.

Hon. Mr. Wall: Honourable senators, if I may add at this point, the bill to amend the Judges Act has in it a section which makes it very simple for the minister to decide that a judge is no longer competent to fulfil his duties, because it would be against the public interest to retain him in office, or something like that, and he could be retired on a pension.

Hon. Mr. Brunt: But it would still be embarrassing.

Hon. Mr. Choquette: If he refused and insisted on continuing to sit, what then?

Hon. Mr. Leonard: I think that whatever the situation may have been in the past it has now been changed because of the adoption of the general rule, and, as I say, because the onus would bear very heavily on any judge who was not able to continue to perform his duties but who thought that he should not retire.

Honourable senators, in conclusion, as I said at the outset, there is a matter of principle at stake. Just as the precedent in 1927 has been used to justify this much undue action in 1960, so will the precedent that we establish, if we establish it now, of altering the terms under which these appointments were made, be used to justify almost any interference with existing rights or contracts in the future.

The honourable senator from Vancouver South (Hon. Mr. Farris) read you the judges' patent of office. Do not let us tear it up as if it were, to use the infamous words used when Germany violated its treaty with Belgium, "only a scrap of paper". There is more than a piece of paper involved in this. There is a principle at stake. What I think we should do is to amend the resolution to give the right of election to existing judges. If we do this we shall keep faith with those who now hold their appointments and in addition shall keep faith with ourselves.

Hon. A. K. Hugessen: Honourable senators, this has been a hot afternoon and I want to continue the debate, but may I ask you all to be good enough to consider it to be six o'clock. Perhaps I might add that I understand there are several honourable senators who expect to be here this evening to continue the discussion but who might be prevented from doing so if we did not rise now.

Hon. Mr. Aseltine: Honourable senators, if it is agreeable I would suggest that the Senate instead of reassembling at 7.30 p.m., according to the rule, meet at 8 o'clock.

Some Hon. Senators: Agreed.

Hon. Mr. Croll: If I may say so, I did think there was a ruling to be made and I expected that would be done this afternoon.

Hon. Mr. Macdonald: At 8 o'clock.

Hon. Mr. Croll: Personally I would like to have it before 8 o'clock.

The Hon. the Speaker: Honourable senators, I am prepared to make a ruling at this time.

Honourable senators, on Thursday last, July 7, the debate was resumed on the main resolution introduced by the Leader of the Government (Hon. Mr. Aseltine) for a humble Address to be presented to Her Majesty the Queen, in terms which I understand are familiar to honourable senators. During the course of that debate the Honourable Senator Farris moved, seconded by the Honourable Senator Bouffard, as follows:

> Be it resolved that the Senate recommends to the Government of Canada that pursuant to its powers the following questions be submitted to the Supreme Court of Canada at its next sitting.
>
> One: Has the Parliament of Canada jurisdiction to determine the age limit of county and district court judges?
>
> Two: Has the Parliament of Canada under the provisions of class 1 of section 91 of the British North America Act the power to amend the Constitution to give to the Parliament of Canada the jurisdiction to repeal, amend or modify section 99 of the British North America Act to give to the Parliament of Canada power to determine the age at which judges of the superior courts presently existing or hereafter appointed shall retire?
>
> Be it further resolved that pending action by the Government on the foregoing suggestions, no further action be taken by the Senate on the motion now under consideration.

Honourable senators, I would emphasize the words "pending action by the Government".

At that time I indicated very clearly that my first impression was that the motion was not a proper or valid amending motion.

Further study of the motion has reaffirmed that opinion, and I think the following reasons will convince honourable senators that my first impression—and I gather it was your impression too—was the right one. This is a matter of considerable importance, and I have considered it very carefully.

The motion now under consideration is, in the apt words of Sir John Bourinot, of a dilatory character in that it provides in its final paragraph that "pending action by the Government on the foregoing suggestions", namely, to submit certain questions to the Supreme Court of Canada, no further action be taken by the Senate on the motion now being considered by the Senate.

Honourable senators, the governing provision in the Rules of the Senate of Canada is Rule 44, which reads as follows:

> When a question is under debate, no motion is received, unless to amend it; to commit it; to postpone it to a certain day; for the previous question; for reading the Orders of the Day, or for the adjournment of the Senate.

That is the framework or the scope of an amendment in the Senate.

I have examined the motion in the light of the provision in question, to determine whether or not it falls within the list of permissible motions in the present circumstances. In the first place, as I indicated the other day, I do not consider that this is by any stretch of the imagination a motion to amend the main resolution, namely, to alter its substance, to change or otherwise modify its wording in any way, but that, rather, it is clearly a dilatory motion—that is, one which is designed to delay the passage of the main resolution. As I see it, the only basis upon which this motion would be acceptable is on the ground that it is a postponing motion. However, the Rules of the Senate are clear and concise, and to the effect that the only motion of this character which is permissible is one which postpones consideration "to a certain day".

Honourable senators will recall that the so-called motion to amend was for the purpose of putting off or postponing the debate until, first, the Government had decided to follow the suggestion made and, secondly, that the Supreme Court of Canada had rendered its decision on the reference which the Government may decide to make. Therefore, there was no postponment of a motion "to a certain day."

The contingencies provided for in the so-called amending motion under consideration are, as I see it, such as to preclude any possibility of certainty as to the day to which consideration of the main resolution would be postponed.

Some honourable senators have mentioned the so-called "six months' hoist", and on reflection and further study I agree that in respect of bills it is an acceptable amendment. On the other hand, I must remind honourable senators that the "six months' hoist", as its colloquial name implies, would defer consideration of any bill under consideration to a day "six months hence". It is true that the practical effect of the so-called "six months' hoist", if carried, is to kill the bill. Therefore, in my opinion any similar proposition would likewise have the effect of killing the resolution moved by the honourable Leader of the Government, the Honourable Senator Aseltine.

In view of what I have said, I feel impelled to rule the amendment out of order, and I so rule.

I now call it 6 o'clock. The Senate will rise now, to resume at 8 o'clock this evening.

At 8 p.m., the sitting was resumed.

DIVORCE

REPORTS OF COMMITTEE

Leave having been given to revert to Reports of Committees:

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's reports Nos. 511 to 514.

He said: Honourable senators, these are the reports of the committee which sat this morning and which were not ready for presentation at the beginning of the sitting this afternoon.

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

Hon. Mr. Roebuck: Honourable senators, with leave I move that these reports be adopted now. They are the final reports. There is nothing very special in them. One has to do with withdrawal of a petition, and the others deal with cases, two of which were tried this morning.

Hon. Jean-François Pouliot: Honourable senators, if these reports are the last ones to be considered I have just one observation to make about the divorce bills. In the House of Commons a suggestion has been made, and a motion has been sponsored, to refer these bills to the Supreme Court of Canada. It is elementary that the Parliament of Canada has been empowered by the Constitution to have jurisdiction over marriage and divorce. It is there in black and white in the Constitution. It is surprising that some members of Parliament have made that move, but, on the

other hand, what would be interesting and useful and practical for the country, and more satisfactory for the litigants—I mean those who apply for a divorce—would be a reference to the Supreme Court of Canada with respect to the validity of the divorces granted by the provincial courts in Canada. That is a question which deserves the utmost consideration. There is no possible doubt about the legality of the divorces that are granted by an act of Parliament, but if the provincial divorce courts in Canada have not been legally constituted the result would be that all divorce applications would come to Parliament, all 8,000 of them, and it would be necessary to double the number of senators just to deal with them.

It seems to me strange that in this country everybody takes everything for granted because it has been done in a certain way—the wrong way—for a long time. We follow each other on the Indian trail—the judges, the lawyers, the litigants, everybody—with no imagination, and everybody is afraid to go to the core of the evil. It is just as bad as when a doctor who has a diagnosis to make opens the body of his patient and sees he has nothing to do. He puts in new sutures and tells the patient: "You are all right; you are well. You can eat what you want."

This is the position of the law in the matter of divorce in Canada, and I challenge anyone to say the contrary. The judges know that, but they are not called upon to give their opinion. Many lawyers are afraid to talk to the judges about it, and everything remains as it is. This is the position. I am not going to make a long speech about it tonight. If I were I would have many things to say, but as these are the last divorce bills that will come before us I wanted, before the end of the session, to draw the attention of the Senate and the Parliament of Canada and the country to the seriousness of this situation.

There is a way to correct the situation, and it is by the transfer of the jurisdiction in the matter of family rights to the provinces. It is a point that has been raised. The matter has not been solved, but there has been progress because it is now possible to make this speech and have it listened to, and that would not have been possible five years ago. That is progress. How long it will take to remedy the situation I cannot tell, because I am not a prophet and I do not pose as such. This is a very serious problem and it is of the utmost importance that it should be considered by the Government of this country and by each provincial Government. The matter has been brought to their attention, and I hope that they will receive the suggestions with an open mind.

Reports adopted.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—DEBATE ADJOURNED

The Senate resumed from this afternoon the adjourned debate on the motion of Hon. Mr. Aseltine:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges 30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. A. K. Hugessen: Honourable senators, I have listened with a great deal of interest and, indeed, I might almost say of fascination to the debate that has been carried on so far in this house on this resolution with respect to judges. Last week we had a very interesting address, with which, I might say, I thoroughly agreed, from my honourable leader (Hon. Mr. Macdonald), and we had in addition a most lucid and thoughtful speech

by the honourable junior senator from Winnipeg (Hon. Mr. Wall). In addition there was a really outstanding performance by the honourable senator from Vancouver South (Hon. Mr. Farris). Today we have had clear and cogent addresses from the honourable senator from De Salaberry (Hon. Mr. Gouin) and the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard), and we have had a really outstanding masterpiece from the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). I use the word masterpiece designedly, honourable senators. I knew that my honourable friend was a painter in water colours but I did not know that he could paint such an eminently attractive verbal picture of a period relating to the early history of our country as he did this afternoon. My honourable friend referred to his well-known uncle, the Right Honourable Mr. Roebuck, who for a great number of years in the middle of the last century sat in the British House of Commons as member for Sheffield, I think it was. I just want to add in a personal way one little note. During the first part of his political career the Right Honourable Mr. Roebuck sat in the British House of Commons with my grandfather, and during the later part of his political career he sat in the British House of Commons with my father.

Honourable senators, the discussion on the resolution now before us divides itself rather naturally into three distinct parts, and each of those parts has been discussed by most of the speakers who have taken part in this debate. The three parts that are referred to are the following: first of all, as to the necessity or the wisdom of including county court judges in the resolution; the second and the much broader question, which was discussed by the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable senator from De Salaberry (Hon. Mr. Gouin), as to whether this resolution is necessary at all; and the third, as to whether it is right or just to require a superior court judge now on the bench to retire at the age of 75—that is the retroactivity question, as some honourable senators have termed it.

I propose to discuss each of these three topics, the first two of them quite shortly, while to the third I expect to devote a larger amount of time.

With regard to the first of these questions—Is it necessary or is it wise to include county court judges in this resolution?—We are told by the Minister of Justice that doubts have arisen as to the powers of the Parliament of Canada to require a retiring age for county court judges. I do not need to repeat to the house the argument on this subject that was advanced by the honourable senator from Vancouver South (Hon. Mr. Farris). He mentioned sections 96 and 99 of the British North America Act in that connection and he showed quite conclusively, I think, that at any rate by implication the power of this Parliament to deal with the term of office of county court judges cannot be contested.

In point of fact our Parliament has dealt with these county court judges and has provided a mandatory retirement age for them for the last 57 years. I took the trouble to look up the first occasion upon which this Parliament provided a mandatory retirement age for these judges. It was in the act 3 Edward VII, chapter 29, which was assented to on October 24, 1903. Section 2 of that act begins as follows:

> Every county court judge who has attained the age of 80 years shall be compulsorily retired . . .

Incidentally, honourable senators, I would like to point out that that legislation of 1903 applied to all county court judges, whether those on the bench at that time or those to be appointed in the future. For 57 years this Parliament has proceeded on the basis that it had the authority to do that. Now the Minister of Justice tells us that doubts have arisen as to the right of this Parliament so to provide. If I were the Minister of Justice and had that question been brought before me I would have dealt with it in a very different way from the way in which the present Minister of Justice has dealt with it. In the first place, if any of my advisers had come to me and suggested that what had been considered to be legal for over 50 years was now doubtfully legal I would have said that unless there was a very serious and grave doubt about the matter it would be much better to leave it alone and let sleeping dogs lie. I would have considered that if I were to raise this question on the possible unconstitutionality of this matter after over 50 years, I would be casting a reflection not only upon Parliament but upon all my predecessors in the office of Minister of Justice, many of whom were very distinguished men.

If in spite of that I had been reasonably satisfied there was a very serious doubt as to the constitutionality of what had been going on for 57 years, then I would have said: "Well, here is an instrument right at hand by which I can have this doubt solved. Here is the Supreme Court of Canada, a body clothed with the power to determine constitutional questions that are referred to it by Government. I will ask the Supreme Court of Canada whether what has been done in the past is constitutional." And only if its reply were unfavourable would I think for a moment of going to the Parliament of Westminster.

The present Minister of Justice has not followed that policy. He tells us that there is a doubt about the constitutionality of this

provision. He does not tell us how serious that doubt is or who has raised the doubt, but what he has done is this: he has flouted our Supreme Court and he has gone immediately grovelling to the Parliament at Westminster to cure his troubles. That is an attitude of colonial dependency and of a national inferiority complex which I had hoped that we in this country had outlived. I think it is most deplorable, and if in the course of this debate any honourable senator moves an amendment to the resolution to strike out any reference to the county court judges, I shall be very happy indeed to vote for such an amendment.

Dealing with the broad question as to whether this resolution is necessary at all, or whether in fact the act of 1949 amending the British North America Act gives this Parliament the power to do what we are seeking to do without reference to the provinces and without reference to the Parliament at Westminster, I was much impressed with the argument of the honourable senator from Vancouver South (Hon. Mr. Farris) and with the argument of the honourable senator from De Salaberry (Hon. Mr. Gouin). The 1949 amendment to the British North America Act gives this Parliament the power to amend our Constitution in any way not directly connected with the exclusive powers of the provinces under section 92 of the act. What we are seeking to amend here is section 99 of the act. So that at first sight it would seem that we are in no way interfering with the rights of the provinces, and that this Parliament has the right to amend our Constitution in that respect regardless of any other authority whatsoever. I must confess, however, that there is a little more doubt in my mind on this question than there is on the question of the county court judges, because though it is true that we are only seeking to amend section 99 of the British North America Act, nevertheless, paragraph 14 of section 92 of the act, dealing with the exclusive powers of the provinces, does give the right to the provinces to govern,

> The Administration of Justice in the province, including the Constitution, Maintenance, and Organization of Provincial Courts . . .

It might be argued with some cogency that the time of retirement of judges of superior courts of the provinces has some relation to the administration of justice in the province, and that therefore any proposal to change the time of their retirement is one which in some degree falls within that paragraph of section 92 and requires the approval of the provinces.

I think that this Government should have followed the advice of the Canadian Bar Association, given at its meeting in Vancouver last September, and have sought the opinion of the Supreme Court of Canada as to the precise extent of the powers of this Parliament in that connection. However, the Government has taken the opposite view. It has chosen to assume that there is some doubt as to the rights of the provinces, and it has gone ahead on the basis of obtaining the consent of all the provinces and is seeking to get an amendment to the British North America Act from the Parliament at Westminster.

I do not altogether blame the Government for doing that. Of the two courses that were open to it, I think it probably took the wrong course; but with this Government that does not surprise me. In any event, I suppose from its point of view there was some advantage in taking the course it has taken, some political advantage, in that it can now pose as the defender of the rights of the provinces. Well, I am willing to grant it whatever advantage it may think it has achieved by that. But as regards the amendment that was moved by the honourable senator from Vancouver South (Hon. Mr. Farris), which His Honour declared to be out of order, seeking to refer this whole matter to the Supreme Court for its consideration, had that amendment been declared to be in order, and had I been called to vote upon it, I should have felt impelled to vote against it, because in my view this question of the retirement of our superior court judges at the age of 75 years is quite an urgent one; it is one that, in my opinion, needs to be dealt with, and needs to be dealt with without delay, and I would have been opposed to the further delay that would have been involved in referring the whole matter to the Supreme Court of Canada.

Now, honourable senators, I come to the third part of this discussion, that part of the resolution now before us which extends the obligation to retire at the age of 75 years to superior court judges who are now on the bench, sometimes referred to as the retroactive feature of this proposal. Here I must frankly say that I disagree with the views that have been expressed on this subject by the honourable senators from Vancouver South (Hon. Mr. Farris), De Salaberry (Hon. Mr. Gouin) and Toronto-Rosedale (Hon. Mr. Leonard). And honourable senators will give me the credit for having a good deal of courage in getting up openly and saying that I disagree with three such solid experts as those.

Let me deal first with this question of contract. The honourable senator from Vancouver South devoted the major part of his speech to this subject. He argued with great force and eloquence that to make these requirements applicable to existing judges would be a violation by the Crown of a solemn contract with these judges, a contract by the

terms of which they were appointed "during good behaviour", that is, for life. The whole root and basis of his argument was that of a contract, a contract by which the Crown agreed to appoint these judges for life.

In support of his argument, the honourable senator read the form of commission from the Crown appointing one of the judges of one of our provincial superior courts. He made a great point of that document. He read the whole text of the commission. He told us who signed it; he told us who sealed it. At the conclusion of his talk on that subject, we had a very vivid idea of what that document was. Upon listening to the wording of that commission, and reflecting upon it afterwards, one thing was, to my mind, at least, perfectly clear. Whatever that document is, it is not a contract. A contract is signed by both parties to it. This document is not so signed. A contract is made for a consideration which is expressed in the instrument. This document makes no mention of consideration. In fact, the commission appointing a judge, which was read to us last week, bears a rather striking resemblance to another document that was read to this house on the same day last week by the Clerk at the Table. I refer to the commission appointing our new colleague from Cape Breton (Hon. Mr. MacDonald) a member of this Senate.

Both of these documents partake of the same nature. In my view neither of them is a contract. In their essence both of them are unilateral actions of the Sovereign in the exercise of the royal prerogative appointing the individuals designated therein to the respective public offices therein described. Her Majesty, having exercised her royal prerogative by appointing a named individual as one of Her Majesty's superior court judges, the Parliament of Canada then steps into the picture. It is for the Parliament of Canada to see that the individual so appointed shall receive a salary commensurate with the dignity and importance of his position. This, Parliament has done in the Judges Act. Here again there is no question of contract. The judge receives the salary that the act provides for him. What the amount of that salary shall be and for how long he shall continue to receive it are questions which involve factors both of equity and of public policy. In determining these questions Parliament is supreme.

Let us see for a moment how Parliament has dealt with this question of the remuneration of judges of the superior courts during the last few years. By the Judges Act of 1946 the salary of these judges was fixed at $12,000 per annum. By an amending act of 1951 this salary was raised to $14,400 per annum. By a further amending act of 1955 this salary was further raised to $16,900 per annum.

At the present session we are being asked by a further act amending the Judges Act to improve the position of these judges further, not, indeed, by increasing their salary but by an increase of their pension on retirement from two-thirds of the salary which they received prior to the 1955 amendment to two-thirds of the increased salary they are receiving when they retire, with a corresponding increase to their wives who may survive them. This increase in pensions will apply to every present judge who will be required to retire at 75 years under the resolution now before us, regardless of the length of time which he has served on the bench.

Here again, there is no question of contract. Parliament has not contracted with these judges to increase their salaries or their pensions. Indeed, if you claim there is a contract between Her Majesty and these judges, then you would be forced to admit that the judge who was appointed before 1950 had agreed, by that contract, to serve as a judge for the rest of his life at a salary of $12,000 a year, in which case Her Majesty would be perfectly justified in holding him to his contract and refusing him any increase whatever.

I have rather laboured this matter of contract, honourable senators, because the honourable senator from Vancouver South (Hon. Mr. Farris) founded his whole case upon it. With much deference, I take the view that that foundation is radically defective. I have been a good deal strengthened in that view by the case which the honourable senator from Vancouver South himself cited in the course of his argument, the case of *Reilly* v. *the King*. That case was considered by three courts, the Exchequer Court, the Supreme Court of Canada and the Judicial Committee of the Privy Council, and I have read with care the decision of each of those tribunals.

Honourable senators remember what the Reilly case was about. Mr. Reilly was a gentleman who, in the 1920's, was appointed a member of a body called the Federal Appeal Board which was constituted under legislation in existence at that time. In the year 1928 he was reappointed as a member of that board for a period of five years. In 1930 Parliament repealed the legislation under which that board had been constituted, the board ceased to exist, and Mr. Reilly found himself out of a job. He thereupon sued the Crown on the basis that he had a contract with the Crown to serve for five years, that that contract had been broken by the Crown not be expatriated and subjected by an inmaining three years of his salary. That case

was heard in the first instance in the Exchequer Court of Canada by Mr. Justice Maclean. Many honourable senators will remember the honourable Mr. Justice Maclean. He was a most distinguished judge who, if I remember rightly, at the end of his life was the President of the Exchequer Court.

Mr. Justice Maclean considered the question of the relationship between the Crown and a man whom it appoints to public office, and this is what he said:

> The settled principle of law is that public office is a distinctive thing and is not contractual in its nature. Public offices are either judicial or ministerial. Judicial offices are now generally held during good behaviour, while ministerial offices are determinable at pleasure . . . American law is to the same effect. Mechem

—he is an American authority—

> on *Public Offices and Officers*, p. 4, says:
> A public office is never conferred by contract, but finds its source and limitations in some act or expression of the governmental power.

Then coming back to the particular case of Mr. Reilly, Mr. Justice Maclean said this:

> The fact that here the appointment purports to be for a term of five years does not make it any more a contract than one made to continue during good behaviour.

Well, having lost the case in the Exchequer Court Mr. Reilly appealed to the Supreme Court, and the Supreme Court in its judgment, which is to be found in the 1932 volume of the Supreme Court Reports, reached substantially the same conclusion as Mr. Justice Maclean. Mr. Justice Orde rendered the judgment, and in his judgment he considered too the nature of the relationship between the Crown and a man whom it appoints to public office, and asked himself the question: Does that constitute a contract? This is what he said:

> I find it difficult to see in what way the appointment of the appellant to be a member of the Federal Appeal Board under the Pension Act as it then stood differed from many other appointments to offices under the Crown. It was urged during the argument that the earlier negotiations or communications between the minister and the appellant

—that is Reilly—

> which culminated in the order in council authorizing the appointment, constituted, by way of offer and acceptance, a contract binding upon the Crown. But the circumstances leading up to the appointment did not differ materially from those which must accompany most appointments to public offices, and I cannot see how they distinguished this appointment from any other.
>
> There is, of course, in every appointment to public office a contractual element in that the Crown, in effect, promises to pay the salary or other emolument fixed by law for services performed. But this in no respect affects the Crown's prerogative right, unless restricted by statute, to dismiss the servant at any time without liability for damages or further compensation.

Having lost the second time before the Supreme Court, Mr. Reilly then went to the Judicial Committee of the Privy Council, and the judgment of that tribunal on his case is to be found in the 1934 volume of the Appeal Cases.

In giving its judgment on his case, the Privy Council adopted a practice which it was rather fond of adopting when it felt disposed to do so—it dodged the issue. Lord Atkin, who rendered the decision of the Privy Council, said that he did not feel called upon to comment upon the statement of law made by Mr. Justice Maclean, and he referred to—here I use his own words—"this contract, if it is a contract". He said that there were some contractual elements about it, and then he went on to decide the case on other grounds altogether. A more delicate example of judicial sidestepping has seldom come my way, honourable senators. It really reinforced the satisfaction which I have felt for some years, that legal matters arising in this country are no longer subject to the jurisdiction of that particular tribunal. I suggest that in view of the nebulous, the doubtful, and the evasive position of the Privy Council, we are thrown back upon the very clear statement of law set out by Mr. Justice Maclean and agreed to by our Supreme Court.

Founding myself on those statements, I affirm that the appointment and term of office and remuneration of judges is basically not a matter of contract at all. Initially, as I said, it is a matter of exercise of the royal prerogative, and thereafter it is one of equity and public policy, which is the responsibility of this Parliament. So I say, honourable senators, that this question must be decided not on the basis of contract, but on the basis of equity and of public policy.

Now, it goes without saying that this Parliament must act fairly toward the men who have accepted and now hold the high and important office of a superior court judge. The question we have to ask ourselves—and I am not trying to evade it in any way, shape or form—is this: Is it fair to these men who now hold Her Majesty's commission "during good behaviour", to change that condition and to require them to retire at the age of 75 years?

To answer that question I think we should take a look at the man who accepts a superior court judgeship, and consider what is his position, and what are his ambitions, and what is his state of mind at that time.

The vast majority of our judges are appointed at ages ranging from 45 to 65 years. The case which the honourable senator from De Salaberry (Hon. Mr. Gouin) mentioned this afternoon of a man being appointed at 68 years is, I think he will agree, very much

out of the ordinary. I can cite no statistics in support, but as an informed guess I would suggest that the average age of appointment is 55 years or perhaps a little younger. What are the considerations that are present in the mind of such a man when he accepts an appointment as a superior court judge?

On the one hand, he will reflect that he is giving up the practice of his profession, and this will usually entail a sacrifice of income, and sometimes a very considerable sacrifice indeed. On the other hand, there are three favourable factors which will have influenced him in reaching his decision. In the first place, he will have achieved economic security. He knows that as long as he remains a judge he will receive an adequate, if not a generous, salary. He knows that when he retires from the bench he will receive a pension reasonably proportionate to what his salary was, for as long as he lives. He knows that if he is married, and if his wife survives him, she will receive a pension for the rest of her life. In other words, he will have achieved reasonable security for himself and his family.

In the second place, he knows that he will be holding a position of dignity, of honour and of esteem in the eyes of his fellowmen.

And in the third place, he will be accepting the responsibility and the challenge of public service to his country in a position that is second to none in its importance to our democratic way of life, and to the rule of law on which that way of life has its foundation.

Honourable senators, perhaps I may be allowed to digress here for a moment. I have mentioned these two considerations in the minds of my hypothetical judge: the esteem of his fellowmen and the opportunity of public service. Does that not show how very wrongminded are those people who tell us that in all actions of human life mankind is actuated solely by economic motives? That, I think, is one of the fundamental fallacies of the Marxist philosophy.

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Hugessen: Honourable senators will themselves know of instances of men from every walk of life who have been actuated by conditions and considerations far removed from the consideration of money or economic advantage, by motives that are sometimes of the very highest character. After all, honourable senators, does it not come back to this old and very wonderful statement that we were taught from our Bible when we were very young, that man does not live by bread alone?

And now to come back to my hypothetical judge. I suggest, honourable senators, that one of the last considerations that is present in that man's mind, if indeed it is present at all, is what is going to happen to him, 10, 20 or 30 years hence when he reaches the age of 75 years, and that for a very good reason. Human life is uncertain, and no man of middle age can tell whether he will reach the age of 75 years, or, if he does, what his physical or mental condition is likely to be at that time.

Let me put the idea I am trying to express in another way. It is this: I do not believe that there is a single judge now on the bench of any of our superior courts who, in the face of the legislation we are considering, could go to the representatives of the sovereign and say to them: "Had I known that you were going to change the conditions of my appointment and make me retire from the bench at 75 I would not have accepted the appointment."

I will go further than that, honourable senators. Let us suppose that one of these judges on accepting his appointment did have in mind what his position was going to be when he reached the age of 75 years, and let us suppose—and it is a logical supposition to make—that he paid particular attention to those words in his commission which proclaim that he is appointed "during good behaviour". As a judge he would clearly be familiar with the British North America Act. He would realize that the words "during good behaviour" which appear in his commission were copied from section 99 of the act, which reads as follows:

> The judges of the superior courts shall hold office during good behaviour—

He would reflect that that act, like all other acts, is subject to amendment from time to time as public policy dictates, that it has in fact been amended many times already, and that it is sure to be amended again. Furthermore, that man would know that the judges of the Supreme Court and the Exchequer Court and of the county and district courts are now required to retire at the age of 75 years. He would also know that the desirability of amending this very section 99 of the British North America Act to make the same rule applicable to judges of the superior courts has been under active discussion for years. And he would probably be familiar with the resolutions on that subject passed from time to time by the Canadian Bar Association and other similar bodies. Indeed, honourable senators, if this man inquired more deeply into the matter he would realize not only that section 99 would likely be changed during his tenure of office but that the change would affect himself personally, retroactive though it might be, because he would realize that our Parliament has already twice done precisely

that thing, first of all in 1903 in connection with the county court judges, and again in 1927 in connection with the judges of the Supreme Court of Canada.

So, I say, honourable senators, that if any of the present judges of our superior courts gave any consideration at all to this matter at the time of their appointment they would have immediately and inevitably realized that regardless of the terms of their appointment it was quite possible, and even likely, that the future development of public policy might require them to retire from the bench when they reached the age of 75 years. If you like to put it this way, they would realize that that was an occupational hazard of their new position which they accepted when they accepted appointment to the bench.

These considerations lead me to the conclusion that there is nothing inequitable in our now requiring our present superior court judges, as well as those who will be appointed in the future, to retire from the bench when they reach the age of 75 years, and, indeed, from the point of view of public policy it is obviously desirable that they should all be treated alike. If you were to exempt our present judges from the rule and make it applicable only to judges appointed in the future, what would be the result? For the next 25 or 30 years you would have on the superior court bench of each province two classes of judges, those who are compelled to retire at the age of 75, and those who are not. You will agree, I am sure, that that would be a most undesirable state of affairs, and one which might well lead to a good deal of friction and ill-feeling.

It is interesting to speculate as to the view which is taken of this matter by the men most directly affected, namely, the present judges of our superior courts. Do they feel that they are being made the victims of what the honourable senator from Vancouver South termed a deliberate breach of a contractual obligation on the part of the Government of Canada? Here, of course, I can only speak for my own province of Quebec. As honourable senators are aware, I am for this year the Bâtonnier Général of the province. I would have thought it likely that if any of our judges felt he was being victimized in this way he would have communicated with me in my dual capacity as Bâtonnier Général and as a member of the Parliament of Canada which is called upon to deal with this resolution. I can only say I have received no such representations.

A few weeks ago I had an opportunity of meeting—in a social way, it is true—all the judges of the Superior Court of the district of Montreal. Had any of them actively felt they were being wronged in this way I would have supposed they would have told me so. None of them said a word to me about the matter. Indeed, two or three members of our bench with whom I have discussed this matter have taken an entirely different view. They have expressed their approval of the principle that they should retire at the age of 75 years, and the only question they have raised, and very naturally raised, is as to the amount of their pension or retiring allowance.

That, of course, is a very important question for them, and it is an important question for this Parliament from the point of view of public policy. But I point out to the house that that is not the matter we are discussing under the terms of the present resolution. This resolution has nothing to do with pensions or retiring allowances. All that we are discussing at the moment is the propriety or otherwise of making the retirement age of 75 applicable to judges now holding office. The question of the retiring allowance which these judges should receive will come up only when we discuss the bill to amend the Judges Act. That is also on our Order Paper.

As I have said before, this Parliament must act fairly to our judges, and we must be particularly careful to see that our present judges who were originally appointed "during good behaviour", but who will now be required to retire at 75 years of age, are fairly, and even generously, treated in the matter of their retirement allowances.

I have spoken about our Quebec judges. Perhaps honourable senators will be interested in knowing whether the bar of the province of Quebec has shown any signs of supporting the position taken by the honourable senator from Vancouver South (Hon. Mr. Farris) and the honourable senator from De Salaberry (Hon. Mr. Gouin). The answer is, shortly, no. The bar of my province acts through the General Council of the bar which contains representatives elected by the lawyers of every judicial district in the province, and which meets four times a year to discuss matters of general interest to the profession. The resolution that we are now discussing was tabled in both houses of this Parliament in January. Since that time the General Council of the bar has met twice, once in April and once in June. I was present throughout both meetings and not a word was said about the matter at either of them.

As the Senate has been told, the Government has obtained the approval of the Legislature of Quebec to the proposals embodied in this resolution. That approval is contained in two resolutions, both of which are to be found in the appendix to the *Minutes of the Proceedings of the Senate* of June 16. One resolution was passed by the Legislative

Assembly, the Lower House, and the other by the Legislative Council, the Upper House, and both were unanimous.

It should be noted that both these resolutions were passed after the resolution which we are now discussing, which includes the retroactivity feature, had been tabled in this Parliament. So the members of the Legislature must have known what was involved. All I can say, therefore, is that if this retroactivity feature is, as the honourable senator from Vancouver South has claimed, a deliberate breach of a contractual obligation on the part of the Government of Canada, that fact appears to have escaped the notice of the judges who have expressed their views to me. It has escaped the notice of the General Council of the bar of the province of Quebec, and it has escaped the notice of both houses of the Legislature of that province.

In the legislation passed by this Parliament in 1903 we made a retirement age of 80 years—subsequently changed to 75 years —applicable to all county court judges, both those holding office at that time and those to be appointed in the future.

In 1927 this Parliament passed similar legislation with respect to the judges of our Supreme Court. By the resolution now before us all that we are doing is to ask the British Parliament by an appropriate amendment to the British North America Act to do precisely the same thing with regard to the judges of our superior courts.

I yield to no man in my respect for the sanctity of written contracts but, I repeat, no question of contract is involved here. What is involved are equity and public policy. As to public policy, I agree with the Canadian Bar Association that the administration of justice in this country will be better served if our superior court judges are required to retire at the age of 75, like their colleagues of the Supreme Court, the Exchequer Court and the county courts. As to equity, for the reasons that I have tried, however inadequately, to express this evening, I believe that this proposal satisfies the equities of the situation. I shall, therefore, vote in favour of this part of the resolution and I shall do so with a clear conscience.

Hon. William R. Brunt: Honourable senators, before speaking on this resolution I should like to congratulate Senator J. M. MacDonald, Q.C., on his appointment to the Senate as the honourable senator from Cape Breton. Senator MacDonald is a well-known Nova Scotia counsel learned in the law and he has practised with real distinction at the town of North Sydney. I am quite sure that he will add considerably to the debates of this honourable body and will make a really worth-while contribution to our deliberations. I know I speak for everyone here in expressing the earnest hope that the honourable senator from Cape Breton, the newest appointee to this house, will live for many years to enjoy and assist in the work of this honourable body.

I have a few further remarks that I should like to make before speaking on this resolution, and I should like to address them to the honourable gentleman from Inkerman (Hon. Mr. Hugessen). I sat and listened this evening to his speech with the keenest of interest and with rapt attention. I have been a member of the Senate since October 14, 1957, and I do not believe I have ever heard a speech in this chamber to equal that given by the honourable senator from Inkerman tonight. It was a well-reasoned and logical speech and I can only say I feel sorry for those present who now have to listen to me speak in my hesitant fashion.

Honourable senators, under the proposed amendment to the British North America Act it is hoped to have compulsory retirement for judges of the superior or supreme courts at the age of 75, and to confirm the retirement of district and county court judges at the same age. To do this it is deemed that a constitutional amendment is necessary, and for that reason it is proposed that an address be presented to the Parliament of Westminster.

There are three relevant sections of the British North America Act as originally passed and as amended between the years 1867 and 1952 which relate to this matter. Section 99 provides that judges of the superior courts shall hold office during good behaviour and can be removed by the Governor General on an address of the Senate and of the House of Commons.

Section 92(14) gives to the provincial Legislatures exclusive powers concerning the administration of justice in the province, including the constitution, maintenance and organization of the provincial courts, both with respect to civil and criminal jurisdiction and including procedure in civil matters in these courts.

Finally, section 91(1) gives to the Parliament of Canada the right from time to time to amend the Constitution of Canada in so far as such amendment affects matters which come exclusively under the federal jurisdiction. This section does not give to the Parliament of Canada the Legislative authority to amend its Constitution with respect to any matter which concerns the rights of the provinces or with respect to matters affecting

both the rights of the federal Parliament and the Legislatures of the provinces.

It is clear that the judges of the superior courts or the supreme courts having been given a tenure of office during good behaviour, the Parliament of Canada could not legislate in this matter without first amending the British North America Act. The view presently held by many is to the effect that Parliament on its own cannot amend section 99. Thus the federal Government's proposal at the dominion-provincial conference held in 1935 was that if an amendment procedure were agreed upon section 99 would be one which would require the concurrence of the Parliament of Canada, and the Legislatures of two-thirds of the provinces having 55 per cent or more of the population of Canada. The report of the subcommittee appointed following that conference reached the same conclusion in 1936.

At the constitutional conference, which was held during September of 1950, the view of the federal Government was that section 99 of the British North America Act was partly a provision which concerned fundamental rights which required unanimous agreement before it could be amended and partly one which concerned Parliament and one or more but not all of the provincial Legislatures. I might state that this view was shared by the Governments of the provinces of Ontario, Nova Scotia, New Brunswick, British Columbia and Newfoundland. The Government of Quebec, however, considered that this was a provision which concerned Parliament and one or more but not necessarily all of the provincial Legislatures, but did not refer to it as one which concerned fundamental rights. The Government of Manitoba considered this section as a provision which concerned Parliament and all the provincial Legislatures. I might state that the Government of the province of Alberta took the same view. Finally, the province of Prince Edward Island considered that this was a provision which concerned the provincial Legislatures only. Honourable senators will readily see that it was impossible to secure unanimous agreement on section 99 of the British North America Act at the 1950 conference.

The arguments in support of the view that the Parliament of Canada would not have authority to amend section 99 unilaterally seemed to be the following:

(a) The words "Constitution of Canada" as found in section 91(1) must be construed in the same way as the words "Constitution of the Province", as found in section 92(1). This would mean, in effect, that the federal Government, as well as the provincial Government, would have authority to amend its own internal machinery. However, it would not be given authority to amend the British North America Act in a way which would somehow affect the division of powers between the provincial and federal Governments or in a way which would touch somehow on a matter in which the other authority, namely, the provincial Government, would have some interest. This restricted conception or meaning of the words "Constitution of Canada" was the one which was, in effect, adopted by the Liberal Government, and by the Right Honourable Louis St. Laurent himself, when the matter was discussed in the House of Commons during the year 1949.

(b) Further, section 99 would be one which would deal indirectly with the administration of justice, which is a matter coming under provincial jurisdiction. Now, a judge holds office during good behaviour, and therefore if you propose to remove him at the age of 75, this is a matter which has some implications with respect to the administration of justice and is a matter with which the provinces become concerned or have an interest in. It would therefore appear that an amendment which so closely affects the provincial courts should not be initiated except with the consent of all the provinces. I might point out that this was the view taken by Mr. St. Laurent when he was Minister of Justice, in 1946. I believe the honourable senator from Vancouver South (Hon. Mr. Farris) quoted from *Hansard* of the other place, and I am asking permission of this honourable body to be allowed to give a quotation from the same source. If, however, honourable senators do not wish to hear it, I will skip over it.

Hon. Mr. Roebuck: Go ahead.

Hon. Mr. Macdonald: In what year was this?

Hon. Mr. Brunt: I am referring to the House of Commons *Hansard* for June 21, 1946.

Hon. Mr. Macdonald: I have no objection to that.

Hon. Mr. Brunt: This discussion took place during the debate on Mr. St. Laurent's estimates, when he said, as appears at page 2711:

—I will deal with the two basic questions which the honourable gentleman put to me. One was this: Is it still the opinion of the Minister of Justice that an amendment to the British North America Act, which would provide power to retire judges at a stated age would require the consent of the provincial legislatures? To that my answer is, that notwithstanding the vote of last night, I persist in that view. I attempted to make it clear in that debate that I considered there had been allocation of jurisdiction and that this Parliament had no right to deal with matters which had been allocated to the provincial Legislatures, and that when there was joint responsibility if any change was to be made that would affect such

control as the provincial Legislatures and Government have under the Constitution, their consent would have to be obtained.

Mr. Diefenbaker: Would it have to be the consent of all the provinces?

Mr. St. Laurent: In my opinion, it would have to be the consent of all the provinces that would be affected thereby. I consider that they have been given jurisdiction, sovereign powers, which they get not from this Parliament but from the imperial Parliament, and it is their jurisdiction: so we cannot take it from them without their consent, any more than if we wanted to take from a Legislature of a state of the American Union some of its powers.

Mr. Diefenbaker: Every province would be in that position.

Mr. St. Laurent: Every province would be in that position in my view—

It has been stated that section 99 does concern fundamental rights, and as such should not be amended except by unanimous agreement between provincial authorities and the federal authorities, and then only on an address to the Queen requesting such amendments. As previously stated by me, this was the view taken by the federal Government at the 1950 federal-provincial conference. It was also the view taken by several of the provincial Governments. All of this can be ascertained if honourable senators will make a study of the report of the federal-provincial conference which was held during the year 1950.

In my opinion, and in the opinion of many of the law officers of the Crown, the proper procedure to be followed is not by a reference to the Supreme Court of Canada, but rather by directing an address to Her Majesty the Queen praying that the British North America Act be amended.

The honourable senator from Vancouver South (Hon. Mr. Farris) referred to the matter of the retirement of the judges of the Supreme Court of Canada and the Exchequer Court at the age of 75 which was brought about by legislation passed during the year 1927. Subsequently, during the year 1930 legislation was passed whereby all judges who were appointed prior to 1927 would on their retirement receive as a pension their full salary. The honourable senator from Vancouver South stated that as a matter of principle judges who are appointed for life should not be retired at the age of 75. If such is the case, the 1927 legislation and the 1930 legislation should not have been passed. The legislation passed in 1930, as sponsored by the late Right Honourable Mr. Lapointe, did not in any way affect the principle of retiring judges at the age of 75, but only increased their pension, so that the pension would equal their salary at the time of retirement.

I believe that the legislation as passed in 1927 was proper legislation, and that the principle of the retirement of judges at age 75 was clearly established at that time. It was established, I believe, as a good principle, and I can see no reason why this principle cannot be carried forward so that it will apply to all the judges of the provincial supreme and superior courts as well as judges of the Exchequer Court and the Supreme Court of Canada.

I might point out that puisne judges who retired under the 1927 legislation received their salaries as pensions, and this amounted to $12,000 a year, and a retiring chief justice retired on a permanent pension equal to his salary in the amount of $15,000. Under the proposed amendment to the Judges Act all puisne judges will receive a pension of $11,266.67, and all chief justices of provincial courts will receive a pension of $12,333.33. Both of these proposed pensions are, in my opinion, very generous in amount and I do not feel that any judge of a supreme or a superior court who will be compelled to retire at the age of 75 will suffer in a financial way when the new schedule for the proposed pensions goes into effect.

In fact, all judges who were appointed prior to the year 1946 will receive a pension in an amount which exceeds by more than $2,200 the salary which they received at the time of their appointments. Furthermore, under the proposed increases in pensions the chief justices of the various provinces appointed prior to 1946, will receive a pension which exceeds the salary they received at the time of their appointment by an amount in excess of $2,300.

Honourable senators, I understand that this motion has been on the Order Paper of this honourable body and the other place since January 17 of this year. Wide publicity has been given to it and I have never heard directly or indirectly, or even a rumour, of any objection from any judge of the supreme or the superior courts with respect to it. I discussed the matter with five judges of the Supreme Court of Ontario within the past three weeks. None of them complained about having to retire at age 75. Some of them expressed the wish and the hope that the Government would make it optional for them to retire at age 70. It is my opinion that generally judges of the supreme or superior courts have no objections to compulsory retirement at age 75 and, after all, honourable senators, these are the persons who are directly and vitally affected by this motion, and I feel quite sure that official objection would have been made to it if the judges as a body were opposed to it.

With respect to that part of the resolution dealing with the retirement of judges of the county and district courts at the age of 75, as all honourable senators know, county and district court judges do now retire at this

age, and the question has been asked why this should be included in this resolution. I can only state that some doubt has been raised as to the validity of this section in the Judges Act which provides for a compulsory retirement of all district and county court judges—

Hon. Mr. Roebuck: Who raised the doubt?

Hon. Mr. Brunt: It has been raised in the Department of Justice.

Hon. Mr. Macdonald: You are not raising it?

Hon. Mr. Brunt: Yes I am, and I will tell you why in a moment.

Hon. Mr. Roebuck: When did they raise it?

Hon. Mr. Brunt: In the Ontario Statutes, from the year 1869 until the year 1955 there have been provisions dealing with the tenure of office of county and district court judges. Originally it was provided by the Legislature of the province of Ontario that these judges should hold office during pleasure. Later it was provided that the judges should hold office during good behaviour, subject to removal by the Lieutenant Governor for inability, incapacity or misbehaviour.

Finally, this provision was repealed—not, however, in 1903, when the dominion Parliament passed legislation compelling county and district court judges to retire at the age of 75, but in the year 1955. So, from 1903 to 1955 we have had two tenures of office for county and district court judges. The dominion legislation says they must retire by age 75.

Hon. Mr. Aseltine: Eighty.

Hon. Mr. Brunt: No, in 1903 it became 75.

Hon. Mr. Macdonald: No, 80.

Hon. Mr. Hayden: With that confusion they were well retired, were they not?

Hon. Mr. Brunt: Did you have these judges retire at 80 or at 75, as fixed later by the Parliament of Canada, or did you let them stay there and hold office during good behaviour, subject to removal by the Lieutenant Governor for inability, incapacity or misbehaviour?

It will therefore be seen that for a considerable period of time there were two concurrent statutes dealing with the same subject-matter. At present, county and district court judges retire under the provisions of the Judges Act at age 75. As I have said, doubt exists as to the validity of this, and in order to clear up all doubt and misunderstanding for all time it has been decided to include this in the address which is being presented to Her Majesty the Queen.

Hon. Mr. Macdonald: Was there any doubt between 1869 and 1955?

Hon. Mr. Brunt: I think there was doubt during this period but it may not have been raised.

I realize that this is quite a fine distinction. Nevertheless, it is felt by the Government that in order to remove all doubt and to firmly establish that judges of the county and district courts should retire at age 75 this should be included in the present address.

Now I do not propose to say anything further with respect to this resolution itself. However, I have an amendment which I propose to move, but before moving it I would like to point out that the present Government has no desire to cause any embarrassment to any judge of the supreme or superior courts who has attained the age of 75 and who is now sitting on the bench, by asking him to retire on the first day of September next. It feels that a longer period of time should be given the judges in order for them to retire properly and without embarrassment or complications. I therefore move, seconded by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), that the motion be amended by striking out paragraph No. 3 at the end thereof and substituting therefor the following:

(3) This act shall come into force on the first day of March, 1961.

Hon. Mr. Croll: That is the same amendment that was moved in the other house?

Hon. Mr. Brunt: Yes, it is exactly the same.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Brunt, seconded by the Honourable Senator Thorvaldson, that the motion be amended by striking out paragraph 3 at the end thereof and substituting therefor the following:

3. This act shall come into force on the first day of March, 1961.

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

Hon. Mr. Macdonald: Honourable senators, I am not opposing the amendment, but I do not think the Government is being quite as magnanimous to the judges as the honourable senator from Hanover (Hon. Mr. Brunt) has suggested. I think the fact is that if this address is passed by both houses of Parliament, it cannot possibly be approved by the British house by the first day of September 1960, and that is the reason for the extension.

Hon. Mr. Brunt: Each of us is entitled to his own opinion.

Amendment agreed to.

Hon. Paul H. Bouffard: Honourable senators, I do not wish to participate at any length in the discussion on this resolution.

I had the pleasure of hearing the speech of the honourable senator from Vancouver South (Hon. Mr. Farris), and that of the honourable senator from Inkerman (Hon. Mr. Hugessen), who have each expounded the question in an outstanding manner and raised all the points that may lead us to decide whether we should vote for or against the resolution.

As has been said by all honourable senators who have spoken on the resolution, there are three points to be discussed. The first relates to the county and district court judges. I find that the policy of the Government with respect to these judges is very inconsistent. The Government has dealt with the matter over the past almost 60 years, and it has never been contested. Some persons may have raised a question as to whether the Government had the right to do what it did, but as a matter of fact it has been done for more than 50 years without any serious objection or attack on the part of anyone.

I think all honourable senators will agree that the question before us now is this: Is it worth while, in so far as county and district court judges are concerned, to go to the Parliament at Westminster and have our Constitution amended, thus giving them a power they do not have at the present time, just for the purpose of getting rid of a doubt which has existed in the minds of only a few people, but which policy, as I have said, has been carried on for almost 60 years without serious objection?

The second point concerns superior court judges. Without repeating all the arguments put forward by the honourable senator from Vancouver South and the honourable senator from Inkerman, I say that undoubtedly the Government has the right to deal with this matter without going to Westminster.

The question that arises in my mind is this: In view of the fact that these questions have been raised over many years, and doubts have existed in the minds of some people, why has the Government not asked the Supreme Court of Canada to determine whether this Parliament has the right to deal with superior, county and district court judges without going to Westminster? Was it not worth while to do that? I say it undoubtedly was, because if we now go to Westminster with this resolution it will mean that from now on it will be impossible to deal with the tenure of office of judges without going back to Westminster.

Suppose that in some years hence it is found that in the public interest judges should be retired at 70 or 72 years of age, we will have to go back to the Parliament at Westminster and get permission to do so, a concession which as a matter of fact that Parliament has refused its own judges. In England the law has been amended to give the judges already holding office the option of retiring at 75 years of age. Now if we go to Westminster on the question of our county and district court judges, we will give that Parliament the right to deal with a subject on which it never had jurisdiction before, and if in the future we want to change the law in this respect, we shall have to go back to Westminster. I think it is neither dignified nor the desire of the Canadian people to give more power to Westminster and less to Canada.

As my honourable friend from Inkerman said a moment ago, this is an indication of an inferiority complex and a colonial dependence, which we all desire to get away from. That is why I say, if it is not necessary to send this resolution to Westminster, why send it? There is only one way to deal with the matter. The Government should ask the Supreme Court of Canada whether we have the right to amend the law in this respect, and we should act according to the decision of that court.

Some honourable senators have raised the question of time. Well, this matter has been before the Senate since the month of January. Had the Government then asked the Supreme Court of Canada for its opinion on the matter it would have been dealt with by that court in February, and in all probability the judgment of the court would have been rendered by this time and we would have known what our powers in the matter are.

I say that even if the Government were to submit this question to the Supreme Court of Canada at the present time, it would be considered by that tribunal next September, and I am sure that before January 1, 1961—which would be two months before the date stated for the coming into force of the act asked for in this resolution—the Government would know exactly what the power of this Parliament is and whether it is necessary to go to Westminster. So I say, despite the fact that the amendment proposed by the honourable senator from Vancouver South has been ruled out, it seems to me that it would be a good policy on the part of the Government to submit the question to the Supreme Court.

The third point raised is as to the question of the retroactive effect of this proposed amendment upon the judges of the superior courts. We could discuss this matter for a long time. We could raise many legal questions which might be decided one way or the other

by different courts of justice. My impression is that the proposition which is made by the Government to any member of the bar when he accepts the position of judge is a clear-cut contract. It is not the commission that gives the contract; it is the conditions of the appointment. The salary has been fixed by law; the pension has been fixed by law; the term of office has also been fixed by law, and fixed not only by federal legislation but by the British North America Act.

Some say that a member of a commission who is appointed either during pleasure or during good behaviour, or, say, for ten years, can be removed from that position without any damages being awarded to him. I say that the judges of the superior courts have been protected from that treatment by the British North America Act which says that a judge of the superior court cannot be removed except by an address from the Senate and the House of Commons. Consequently, the judges of the superior courts are protected from removal by the provision that they cannot be removed unless there is impeachment, which has never been invoked since Confederation.

I say there is a contract which fixes the salary, the pension, and the kind of work that the judge has to do. The fact that there is no consideration expressed in the commission does not matter at all. What is the consideration a judge gives in return for the salary he is to receive and the pension that is voted for him? He gives his services every day of the week, and every week of the year. He has to obey; he has to go on the bench; he has to judge and render judgment. That is the consideration for the contract he has received from the Government.

The honourable senator from Inkerman said that if it was a contract a judge would be bound to work for the salary which was fixed at the time he was appointed. I suppose a judge of the superior court appointed in 1920, for instance, when the salary of a judge of that court was $9,000 would, if it was a contract, be obligated to work for $9,000 until he died. That is perfectly correct. But the Government, in order to find good judges and to prevent the judges who have already been appointed from resigning, has had to increase salaries as the cost of living went up. The Government knew it could not obtain judges for the superior courts for $9,000 a year. It knew very well that it could not get judges of the superior courts at the present time for a salary of $12,000 a year unless it was ready to take second-rate or even fourth-rate lawyers. If the Government wanted to have a good man on the bench it certainly had to pay him. Never before have I heard that an employee who has been engaged for 10, 15, 20 or 25 years is breaking his contract because in the course of his employment his employer increased his salary because the cost of living had gone up. He is employed. He has a contract, and if he gets an increase in salary because of either the work he is doing or of the rise in the cost of living, that does not break the contract nor cause it to cease to be a contract.

Hon. Mr. Choquette: Will the honourable senator permit a question? On the basis of the argument of the honourable senator, what about the case of a judge who was appointed in a province where there were no divorces to be heard by the court upon which he was appointed to sit, and then suddenly it is decided that that court will have jurisdiction to hear divorces? Could that judge then say: "You are breaking my contract. When I took this position there were no such things as divorce actions to be heard, and I refuse to hear them."?

Hon. Mr. Bouffard: I say that has nothing to do with the contract. When he is appointed a judge he is appointed to judge every matter that comes before the court under the law. When the law says that such matters are to go before the superior court then the judge of the superior court is bound to hear them. It does not change the contract at all, because he knew at the time of his appointment that matters to be submitted to the superior court, or matters to be submitted to the circuit court, or matters to be submitted to the magistrate's court, might vary in the course of his employment.

The situation is similar to that of a man who is employed in a factory. I do not think the employer breaks his contract because the manufactured output is increased by one-third or one-half, or there is a new machine installed. The same argument applies to a judge. If a judge does not like the kind of work he has to do he can resign.

Hon. Mr. Roebuck: How can he resign if he is appointed for life?

Hon. Mr. Bouffard: He can resign because the law provides for it. He is allowed by the law to resign, and if he does his contract is not broken because in accordance with his contract he has the right to resign.

Hon. Mr. Thorvaldson: May I ask a question? Does my honourable friend agree with the decision in the Reilly case, or does he distinguish it from this case?

Hon. Mr. Bouffard: I distinguish the Reilly case very definitely, because in that case Reilly was not appointed for life. He was a lay employee. He was a member of the Federal Appeal Board. He was not even appointed during pleasure; he was appointed for a

fixed period to give his judgment in matters to be determined by the law, and when the law decided there were no further matters to be decided by that board it was abolished, and there was no more contract.

Hon. Mr. Brunt: That applied whether his tenure of office was up or not?

Hon. Mr. Bouffard: Yes, whether his tenure of office was up or not. And if the appointment is during pleasure, I do not think there is any difference.

I now come to the third situation, which I find the worst of all. The resolution, if passed, will give the Parliament at Westminster a jurisdiction which it does not have at the present time, or, in any event, it is very doubtful whether it has it or not. It might very well be that the Parliament at Westminster would say in answer to the demand which is made by Canada: "We have no jurisdiction in the matter." If it does not say that, and it adopts the resolution, it will then be clear that in the future it will have jurisdiction over judges of our superior courts as to their tenure of office; and quite evidently it will also have jurisdiction over county and district court judges as to their tenure of office, which to my mind is something it does not have at the present time, so why give that jurisdiction to it?

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Bouffard: When at the present time, we have the means of preventing that, why go and kneel down before the Parliament at Westminster?

There are two ways of going about this. First of all, the Government can go to the Supreme Court of Canada and find out whether we have jurisdiction to deal with the matter. If the Supreme Court decides that we have such jurisdiction, then it is not necessary to go to Westminster. That question could be decided within the next two or three months. The present situation has prevailed for 93 years now and nobody has felt any the worse for it. In order to avoid giving Westminster additional jurisdiction, can we not wait for two or three more months to have this question decided? It seems to me to be very unreasonable to proceed in the manner outlined in this resolution. What is the hurry? Why go so fast? After spending nearly a century with this situation can we not wait a few more months and avoid giving a jurisdiction to Westminster which it has not got now and which may not be necessary?

Should the Supreme Court of Canada decide we have not got jurisdiction, then what should be the demand made by Ottawa to Westminster? Should the request be formulated in the way in which this resolution is expressed at the present time, giving Westminster more jurisdiction than it now has and Canada less? I would say no. In my opinion the resolution to be sent to Westminster should be one that would give less jurisdiction to Westminster and more to Canada. What would be the effect of that resolution? The Canadian Parliament now has the right to amend its Constitution in all matters which do not pertain to exclusive provincial jurisdiction. That is all right, but why not go one step farther? It may take many years before we can agree with the provinces as to ways and means of amending our own Constitution with respect to certain matters over which section 92 gives the provinces exclusive jurisdiction.

Hon. Mr. Brunt: Would that not be an interference with provincial rights?

Hon. Mr. Croll: Oh, no.

Hon. Mr. Bouffard: No. I say the demand that we should make to Westminster is that, pending the time when the dominion and the provinces can agree on amending our Constitution completely, whenever an amendment is requested which may affect provincial rights, if such amendment is unanimously approved by the provinces, then we should have the right to amend our Constitution in that respect. Everyone seems to be in agreement with this. If we were to follow this procedure what would we be doing? We would be taking away some rights that now belong to Westminster and taking them upon ourselves. But this is not what is proposed to be done here.

It seems to me that the views of most honourable members are not at all favourable to giving Westminster more jurisdiction and Canada less. Well, I have suggested a way of doing it. Let us ask the Supreme Court of Canada if we have jurisdiction to amend our Constitution in this respect, and if we have let us do it ourselves without going to Westminster. If we have not got that jurisdiction, then let us put before Westminster a resolution that is not going to give them more rights but one that will give them less rights and Canada more, and let us get permission to amend the Judges Act in the way we want to amend it, for we have the unanimous consent of all the provinces to do so. That is the manner in which it should be done. Even with the unanimous consent of the provinces we cannot amend our own Constitution. Why not? It does not seem to me to be reasonable that if each province in Canada and the federal Government agree on an amendment we should not be able to make that amendment ourselves. I quite

understand that if the amendment affected provincial rights and we had no agreement on the matter we should have to go to Westminster, but at the present time even when there is complete agreement between the federal and provincial Governments we still have to go to Westminster and ask, "Would you give us permission to do this?"

So instead of giving them more power we should give them less and the resolution should be to the effect that the Canadian Parliament be given full power to amend Canada's Constitution, even if the amendment concerns provincial rights, subject to the condition that such amendment be unanimously concurred in by all provinces, and pending the time when the dominion and the provinces can come to an agreement as to ways and means of amending our own Constitution.

In this way we would be able to bring about the amendment to the Judges Act as requested and we would not be kneeling down before Westminster and saying, "Even though the dominion and provincial Governments have agreed to this amendment we have to come and ask your permission to make it."

Honourable senators, I am not going to move any amendment in this respect tonight, but if such an amendment is moved I certainly shall vote for it. I am sorry that I will have to vote against the resolution before the house, for I am not in favour of the kind of amendment to the British North America Act that is proposed. It is this point that bothers me the most, that we have to ask London to do things we should be able to do ourselves, particularly things which are of a relatively minor nature, when one considers that our country has the right to appoint its own Governor General, that it has a Queen of Canada, that it has extra-territorial rights and that it has diplomatic rights to deal with all countries in the world. Why should we have to go to London to ask whether we should retire our judges at 75 or any other age? It seems ridiculous to me. Something is wrong with the whole thing. We should at least take away from London the power it has at the present time to do certain things and take more power unto ourselves. I think Westminster would be ready to agree that we should be able to amend our Constitution at any time. I believe they would like to get rid of this question of amending the Canadian Constitution. Honourable senators, these are the points that I wanted to place before the house tonight.

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

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators will recall that at the commencement of this sitting I introduced Bill C-76, to amend the Public Service Superannuation Act. I am advised that this bill should be dealt with as soon as possible in view of the fact that certain people are retiring, and the bill does not go into effect until it is assented to. For that reason, I would like to have the second reading of this bill proceeded with as the first order of the day tomorrow afternoon, and as the second order the continuation of the debate with which we have been dealing today. Is that agreeable?

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Brunt: Agreed.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 13, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Tenth Interim Report of the International Commission for Supervision and Control in Vietnam for the period February, 1959 to January 31, 1960 (French text), and Summary of the aforementioned Report (English and French texts).

Report of the Canada Council for the fiscal year ended March 31, 1960, pursuant to section 23 of the Canada Council Act, Chapter 3 of the Statutes of 1957. (English and French texts).

Report of the Royal Commission on the Great Slave Lake Railway, Volume I, dated June 1960. (English and French texts).

INCOME TAX BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-68, to amend the Income Tax Act, and had directed him to report the same to the Senate with the following amendments:

1. Page 14: Strike out subclause (1) of clause 18 and renumber subclauses (2) to (4) inclusive of clause 18 as subclauses (1) to (3) inclusive respectively.

2. Page 15: Strike out lines 19 to 22 inclusive and substitute therefor the following:—"(4) This section is applicable to the 1960 and subsqeuent taxation years."

3. Page 17: Strike out subclause (2) of clause 24 and renumber subclause (3) of clause 24 as subclause (2).

The Hon. the Speaker: Honourable senators, when shall this report be considered?

Hon. Salter A. Hayden: Honourable senators, with leave of the Senate, I move adoption of the report. I do so in order that I may explain the amendments which have been made.

Hon. Senators: Agreed.

Hon. Mr. Hayden: Honourable senators, the Standing Committee on Banking and Commerce sat on three occasions to consider the provisions of the bill amending the Income Tax Act. In connection with the portions of the bill which the report recommends be struck out, the discussion was full and complete, and the departmental representatives who were present asked permission to go back to the minister to state the views of the committee. As a result, the minister agreed that in the circumstances the first subsection of section 18 should be withdrawn in the interest of trying to develop something that would have greater clarity and would prevent situations that might develop by reason of the wording of the amendment. May I just explain?

Section 18 deals with the position of a trustee who is transferring property to a beneficiary, and in this bill it was proposed that that transfer of property shall be deemed to be a sale at the then fair market value. The effect of that is, as I think I indicated when I was speaking on second reading, that when the trustee acquires the property the value at which he acquires it is the value at the date of death. It may well be that at the time he comes to transfer the property to the beneficiary the property has increased substantially in value, so if it is deemed to be sold to the beneficiary at the time of transfer there is some part of the purchase price which would be subject to recapture in the hands of the trustee, and which would have to be brought into income, and income tax is paid on it to the extent that capital cost allowances had been taken on the property while it was in the hands of the trustee. We pointed out the difficulties that were created by that position, because there already was a provision in the Income Tax Act under which, as the trustee takes capital cost allowance in a year, the benefit of that capital cost allowance taken in the year might, to the extent of the share of the income that each beneficiary was getting in that year, be deducted by him from his income that would otherwise be subject to tax, and it was unfair to expect him to be able to look to the trustee for the recapture, because the trustee may have no moneys with which to take care of it. We pointed out the situations which could develop. There were a number of others, technical ones, which I do not think it is necessary to go into here. After going through that at several meetings of the committee the income tax officials attended again this morning and one of them advised us as follows:

The Minister of Finance has instructed me to report that he has carefully re-examined this subclause of the bill in the light of the concern expressed by a number of honourable senators and that he now proposes to withdraw subclause (1) of clause 18 so that it may receive further study. Accordingly the Minister of Finance requests the committee to move the following amendment:

That is the first amendment set out in the committee's report.

The next question that was dealt with by way of amendment was in connection with section 24 of the bill. This section deals with a situation where you may have a company which is holding and developing oil leases or oil properties and is entitled to certain

deductions and expenses which it may carry forward in the way of development expenses. The provisions of section 24 were designed to this end, that if you had that situation and such a company sold its assets to a new company—the old company would then be called the predecessor company and the new company would be called the successor company—the consideration had to be exclusively the shares of the new company. We raised some objections in our discussion on that point, saying that it is difficult to conceive that an operating company could possibly be in a position where it did not have at least some small current liabilities, and they would be an additional consideration. We asked the departmental representatives who were there, "Would it take away from the successor company the benefit which is enjoyed of bringing forward these expenses?" The representatives agreed that it would have that effect. They did admit that what they were really trying to get at were such liabilities as might be expressed in the old company in terms of funded debt, and you can see how if it had some funded debt and took it forward into the new company it might be able to take development expenses forward there and possibly we would have a very interesting situation.

The other objection was in connection with the application of section 24. The bill said merely that the section applies to 1960 and subsequent years. We wanted to know, first, does it apply only to acquisitions of property in 1960 after the bill becomes law, or does it apply to any situation, even a situation where the property was acquired before 1960 but which in the year 1960 would be in conflict with the bill? Well, that was another problem that posed itself and that question was taken back to the minister. This morning the departmental representative reported to us:

> As directed by this committee, I have reported to the Minister of Finance the suggestion of some honourable senators that an amendment should be made to clause 24 to ensure that subclause (2) thereof, which adds the word "exclusively" in two places, should apply only to property acquired after 1960.
>
> I have also reported to the Minister of Finance the observations of the chairman of the committee that the effect of this subclause may be to change the law so that it will stand in the way of many transactions in the future where the company to be acquired has liabilities other than bonds or debentures.
>
> Both these points raised by honourable senators have been carefully considered by the Minister of Finance. I am instructed to report that in view of the fact that the only purpose of the proposed amendment was to clarify the law in accordance with past administrative practice and in view of the fact that some concern has been expressed that its effects may go beyond this purpose the Minister of Finance now proposes to withdraw the subclause.

There was an amendment made and the subclause was withdrawn.

There was another section which we dealt with at these meetings and it had to do with the redefinition of sources of income. That is section 33, and I refer particularly to page 23 of the bill. The redefinition of sources of income arises out of the decision of the Supreme Court of Canada in the Interprovincial Pipeline case, and paragraph (b) of subsection 5 deals with the point and is intended to overcome the effect of that judgment.

We were concerned, and so indicated to the departmental representatives, that first of all the amendments went beyond the scope indicated in the budget resolution on this point. We felt that the budget resolution confined the application of sources of income definition to sources of income of Canadians in other countries and expenses properly applicable against those, and sources of income in Canada for foreigners, some persons outside Canada. We felt that was the scope of the budget resolution. We had indicated, I think fairly definitely, that we were seriously thinking of making a change so as to make it clear that the application was confined to that sort of situation. Finally, after discussion this morning, and after hearing the statement of the minister on the point, we agreed that we could pass the amendment in the form in which it was, having regard to the statement which the minister made, and I think I should read to you what that statement was. It reads:

> This subsection provides a new definition of income from a particular source and income from a particular place. The revised definition serves two purposes. Firstly, the old provision is not at all clear as to how one determines business income from a particular country if the business operates branches in more than one country. For this reason the definition is divided into two parts or paragraphs. Paragraph (a) of the proposed new subsection (1a) tells how to determine income from a particular source in the sense of a business or employment being a single source regardless of its geographical scope. Then paragraph (b) provides for dividing up, geographically, the income from a business or employment if the business or employment is carried on in more than one place. This geographical division has no significance if the business or employment is wholly within one country.
>
> Therefore, it has no real significance except for the purposes of (1) determining the income in Canada of a non-resident person and (2) determining the income of a resident of Canada from sources in another country for purposes of foreign tax credit.
>
> Although, theoretically, paragraph (b) might be used to determine a person's income for each Canadian province, those figures would have no significance for purposes of the Income Tax Act. They would always have to be added together again and any loss in one province deducted from the profits in others in order to arrive at income for the purposes of the Act. The division of taxable income for purposes of federal-provincial

fiscal arrangements is made on an entirely different basis authorized by sections 33 and 40 of the Income Tax Act.

The second purpose of the amendment is to ensure that all amounts deductible in computing income must be deducted in computing the income from one or more of the sources on a reasonable basis. The question of what is a reasonable basis is usually one upon which taxpayers and the Department of National Revenue can agree but, in some few cases, it may have to be settled by the courts.

Under the old definition, the Supreme Court of Canada held that interest was a statutory deduction that could not be said to be "related" to a particular source of income.

That is the effect of the Interprovincial Pipeline case.

The effect of the new provisions is that all such statutory deductions (with a few exceptions listed in paragraph (1b) that obviously have no connection with earning income) must be allocated on a reasonable basis. Thus, if it can be shown that borrowed money was used to earn income from a particular source or a particular country, the interest paid on that borrowing must be deducted in computing income from that source or place.

This new definition must, unfortunately, be lengthy and somewhat complicated. After very careful study I have come to the conclusion that I cannot propose any amendment to this part of the bill.

I hope that honourable senators will see their way clear to accept this part of the bill in its present form.

We discussed again this morning the provisions of that section in the light of the minister's statement and the apparent limitation which the statement puts upon what theoretically might be the more extended application of the section, and it was the view of the committee that in the circumstances we were justified in accepting the statement of the minister. I think the view was expressed that the minister, who is a responsible minister of the Crown, having made a statement in these terms, we could not conceive that a situation would develop in relation to its application where some different view on its interpretation might be urged by the department. Whether we are to be criticized or not, that was the decision we made, and therefore there is no amendment in relation to section 33.

Several other sections were carefully discussed, and I mention these only briefly so that you may appreciate that the committee was really probing.

One section to which I referred on the second reading of the bill had reference to gross negligence and the penalties that are provided in the bill where a taxpayer has shown gross negligence in the preparation of a return; in such circumstances a civil penalty is provided with a maximum of 25 per cent on the tax not paid as a result of such gross negligence. The question had been raised, as you will recall, that there seemed to be some conflict between that and the present provisions in the statute for civil penalties where there is wilful evasion of tax in a return or in information filed. There the penalty ranges from 25 to 50 per cent. The provisions are drawn in such a way, and we were told that this is the intention of the department, that the old section providing for a penalty of from 25 per cent to 50 per cent will be applied so long as any cases come forward which fit the circumstances of the section up to the date that this new section becomes law. On and after that date, in relation to the filing of statements and the furnishing of information in the preparation of which there may be gross negligence, the new section with the reduced penalty will apply, and both subsections will go forward as subsections (1) and (2) of section 56 in the future. At some date in the future—I suppose it might be a matter of four or five years hence, when it appears that there are no more cases likely to come forward—the old section will be repealed.

There were a few other sections which were discussed and upon which the committee secured considerable clarification. There is a good verbatim report of the committee's proceedings available which I think honourable senators can read with interest and, possibly, with some educational benefit.

Hon. Mr. Brunt: And financial benefit, too.

Report adopted.

Hon. Mr. Thorvaldson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FINANCE CHARGES (DISCLOSURE) BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report:

The Standing Committee on Banking and Commerce to whom was referred the Bill (S-25) intituled: "An Act to make provision for the disclosure of information in respect of finance charges", report as follows:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate. I move that the report be adopted now.

Report adopted.

LAND USE

REPORT OF COMMITTEE

Hon. Arthur M. Pearson, Chairman of the Special Committee on Land Use in Canada, presented the second report of the committee.

The Special Committee of the Senate on Land Use in Canada make their second report as follows—

Some Hon. Senators: Dispense.

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

Hon. Mr. Pearson: Tuesday next.

For text of report see Appendix to today's Hansard, *pp. 1060-6.*

DIVORCE

BILLS—FIRST READINGS

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the following bills:

Bill SD-488, for the relief of Elizabeth Fairnington Gaul.

Bill SD-489, for the relief of Rolande Mercier Perreault.

Bill SD-490, for the relief of France Andree Joly Smith.

Bill SD-491, for the relief of Marcelle Schipper Brian.

Bills read first time.

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

Hon. Mr. Roebuck moved, with leave, that the bills be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADA COUNCIL

SCHOLARSHIPS FOR NATIONALS OF FOREIGN COUNTRIES

Hon. Jean-François Pouliot inquired of the Government, pursuant to notice:

What is the amount of each of the fellowships for nationals of foreign countries enumerated in the categories described as 8*a* and 8*b* of the Second Annual Report of the Canada Council?

What is the particular object of each of these fellowships?

Hon. W. M. Aseltine: Honourable senators, in respect of this inquiry, I am informed that paragraph 13 of the Canada Council Act states precisely the council is not an agent of Her Majesty. Paragraph 23 of the act clearly specifies the manner in which the council is to report to Parliament annually. It will be recalled that the annual report of the Canada Council is reviewed each year by both houses of Parliament and that on June 9 of this year such a review was made by the Standing Committee on Finance pursuant to a reference of the report to that committee by this house. Neither the Canada Council Act nor any other legislation lays any duty upon the council to report to Parliament otherwise.

In so far as these questions are concerned, the Government does not have in its records the information requested, and has no power to direct the council to furnish that information.

PRIVATE BILL

EVANGELICAL LUTHERAN CHURCH OF CANADA—REFUND OF FEES

Hon. Gunnar S. Thorvaldson: Honourable senators, with leave of the Senate, I move:

That the parliamentary fees paid upon the Bill S-19, intituled: "An Act to incorporate The Evangelical Lutheran Church of Canada", be refunded to Messrs. Maclaren, Laidlaw, Corlett & Sherwood, solicitors for the petitioners, less printing and translation costs.

Motion agreed to.

PUBLIC SERVICE SUPERANNUATION BILL

SECOND READING

Hon. George S. White moved the second reading of Bill C-76, to amend the Public Service Superannuation Act.

He said: Honourable senators, this bill to amend the Public Service Superannuation Act contains a number of amendments to which the Government has been giving consideration for some time. The most important of these are designed to provide a substantial improvement in the value of the basic benefits available to most civil servants who will be contributing to the Superannuation Account on and after its coming into force. In conjunction with these, other amendments will provide for adjustments to the rates of contribution, while other amendments make provision for improved benefits to smaller groups of persons or are designed to facilitate the administration of the act.

On June 20 the Minister of Finance tabled three reports in the House of Commons which had been submitted to him by the Chief Actuary of the Department of Insurance on the actuarial valuations of the Superannuation Account, the Public Service Death Benefit Account and the Regular Services Death Benefit Account. It was necessary for the Government to receive the actuarial valuations of the various accounts maintained for the purposes of this act before the nature of the amendments thereto could be determined in the light of their actuarial implications.

Honourable senators will recall the passage of the Public Service Pension Adjustment Act during the last session of Parliament. This dealt with the upward adjustment of lower pensions of civil servants who had been retired for a number of years, and so this bill does not contain measures relating to any general pension increase for retired civil servants. It does, however, deal with the many requests which have been made seeking an improvement in the basic benefit formula for those who have not yet retired.

The basic benefit formula applicable to most civil servants who contribute to the Superannuation Account provides for a pension equal to the number of years of pensionable service up to 35 years, multiplied by 2 per cent of the average salary received by the pensioner over the period of ten consecutive years in which his salary was highest. The representations which the Government has received have sought a reduction in the 10-year average salary formula and thus an enhancement of the value of benefits received. Accordingly, it is proposed to introduce amendments which will establish the formula on the basis of the best consecutive six-year average instead of the previous ten-year average. This change will place the formula applicable under the Public Service Superannuation Act on the same basis as that now available to new members of the regular armed forces and of the Royal Canadian Mounted Police under their superannuation statutes. The uniformity in the basis of benefits throughout our superannuation legislation thus achieved, and which has heretofore been lacking, will represent a major advance for civil servants and a major improvement in administration.

The Public Service Superannuation Act provides pension benefits comparing favourably with those of most private plans in Canada. It has been generally recognized in the Civil Service that under a plan of this nature, where the costs are shared by civil servants and by the Government as employer, it is only equitable that the cost of major improvements in the benefits should also be shared. Thus the improvement proposed in the benefit formula is coupled with an amendment which provides for an increase in the male contribution rate from 6 to 6½ per cent of salary. No increase in the female contribution rate of 5 per cent is to be made. A corresponding increase will be made in the matching contribution by the Government. Thus the overall rate of contribution will be 13 per cent for male employees and 10 per cent for female employees.

This aspect of the bill was the subject of a great deal of discussion before the special committee of the House of Commons which was established for the purpose of considering it. The Chief Actuary of the Department of Insurance gave testimony which indicated that, if the experience over the past ten years were to repeat itself, the additional contribution provided would not cover the full value of the improved benefits. For that matter, a progressive increase in salary levels at half of the rates which has been experienced in the past decade would probably provide additional benefits which were worth more than the increase in contributions. Honourable senators will appreciate that this is a difficult matter to forecast and the rates chosen will have to be examined in the light of actual experience, but the Government is satisfied that all the increase will be required to cover the cost of the additional benefits provided.

The additional cost to the Government in a full year will be, it is estimated, $2½ million, based on salary rates in effect as of January 1, 1960. I should point out that there will be some small upward revision of this figure to take account of salary increases granted or contemplated in 1960. The change from the ten-year average to the six-year average in the basic benefit formula will increase the value of benefits available under the Superannuation Act by $21 million as of January 1, 1960. Again, there will be a small increase in this amount to take account of salary increases granted or contemplated in 1960.

Before leaving this aspect of the bill, I should also mention the effective date of the increases in both benefits and contributions. In so far as benefits are concerned, the increase will apply in the case of persons who become entitled to annuities or annual allowances from the time of royal assent. There has been a good deal of discussion over choosing some earlier date, but this always presents the impossibility of choosing one date over another without penalizing the person who retired the day before the date which is chosen. After very careful consideration, the Government has felt that the cut-off date must be the date on which the amending bill becomes law. In so far as the increase in contribution rates is concerned, certain procedures have to be carried out, and it is left to the Governor in Council to proclaim the day on which these shall come into force.

The other proposed major change in the benefits relates to the supplementary death benefit provided under Part II of the act. At present this commences to decrease after age 60 and disappears entirely on retirement or at age 70, whichever is the later. An amendment is proposed providing that every person with five years' continuous employment participating under Part II of the act will on his sixty-fifth birthday, either as an

employee or as a pensioner if he was entitled to an immediate annuity on retirement, be credited with a paid-up $500 death benefit as part of his overall benefit protection.

The cost of this benefit will be borne entirely by the Government. It is estimated that this change will involve an additional expenditure of about $1½ million in the first full year and $500,000 annually thereafter, increasing with the growth in the number of participants.

Another measure of importance is one which will provide for alleviation in the conditions which require a reduction of pension during short periods of re-employment in the Civil Service. The present formula, which calls for a reduction in the pension after as little as one day of re-employment in many cases, will be replaced by another which calls for a determination based on the salary received in each quarter by a re-employed civil service pensioner. This will eliminate the majority of the pension adjustments which otherwise would have had to be made in the future.

Honourable senators, it is proposed that if and when this bill receives second reading it be sent to the Standing Committee on Banking and Commerce, where witnesses from the Department of Finance and the Department of Insurance will be available to provide any further information that is required.

Hon. T. A. Crerar: Honourable senators, my remarks on this measure will be brief. From the explanation given by our honourable colleague who has sponsored the bill (Hon. Mr. White) it is quite evident that superannuation benefits are to be substantially increased. The new feature of death benefits—and I do think it is a new feature—is to be a charge on the public treasury. I have no doubt that my colleagues in this house are becoming a bit weary of my solicitude for the public treasury, but I think it may fairly be said that in our consideration of measures of this kind we always lean heavily to the side of generosity. Do not misunderstand. I am a believer in pensions. I am a believer in pensions for civil servants. I think it is reasonable that the Government should pay its fair share into a fund that will ensure a pension or an annuity to the civil servant when he or she retires. However, the actuarial calculations in the past upon which this fund could be maintained in solvency were wholly inadequate, and I would suggest to the honourable sponsor of the measure that when it comes before the committee he should have the officials present to inform the committee of the total contribution that the Government of Canada has made to this fund, say over the past forty years, in addition to the contribution it makes to match the contributions by the employees. We shall find that it is rather substantial.

I must say that I am losing faith completely in the ability of governments—and I am not speaking of the present Government or the one before it—to look after matters of this kind. Until the people commence to complain about taxation—and it must be said that the people of this country have been long-suffering in that respect—this spending will go on.

We have another illustration that is not dissimilar, and that is the sale of Government annuities. It would be an interesting exercise for the honourable senator from Hanover (Hon. Mr. Brunt) to confer a public benefaction upon the house by inquiring into and ascertaining how much would be required to make the annuities fund solvent.

Hon. Mr. Brunt: I have always understood that the fund was quite solvent at all times, but that the annuitant benefited from the fact that the cost of administering the fund was paid out of the Consolidated Revenue Fund.

Hon. Mr. Crerar: Ah, well, may I suggest to my honourable friend, in all kindness, that he inform himself upon that point, because several years ago, as I recall, not only did the cost of administration in the Annuities Branch run to about $1¼ million a year, but also it was clearly evident that there was not then an annuity being sold that would carry itself. The fund was not solvent, and the Government has the responsibility for that. Whether it is a Liberal Government, a Conservative Government, or any other kind of a Government, it cannot escape that responsibility. The annuities business was undertaken 60 years ago, or perhaps a few years more, when there was no opportunity for an individual who wished to buy an annuity to secure one. Insurance companies then were not handling annuities, nor was any other agency. It was the late Sir William Mulock who, when he was Postmaster General, conceived this idea and established the Government annuities system. It was primarily for the purpose of inducing people to save money and build up protection for their declining years—a very worthy thing to do, which in these modern days has fallen almost completely into disrepute.

Hon. Mr. Brunt: Oh, they still buy life annuities.

Hon. Mr. Crerar: But my honourable friend will find that the annuities fund will require some bolstering up. That condition should be brought to an end, because today any person who wants to get an annuity has a dozen different avenues through which he

can secure one, whereas he had none 60 years ago. If the Finance Minister is searching for places where he can economize, I would definitely suggest to him that avenue.

As I said a moment ago, I have no objection to annuities, but I do say that the Superannuation Fund, which I venture to suggest is not actuarially solvent, should immediately be put on a rigid actuarial basis, so that the contributions by civil servants and the Government will maintain the fund in solvency at all times and we would not have to come back later on to bolster it up from the treasury. I add one other suggestion, that when that actuarial report or test is made by the Government actuaries the Government should get an independent actuarial valuation from a company like the Sun Life Assurance Company, for example. Of course, all insurance companies have a very fine actuarial staff, and it would be useful and helpful to secure the judgment of the actuarial branch of one of these companies upon this important matter. The easy fashion in which we drift into situations of this kind is, when we consider their total magnitude, rather surprising.

I hope that when the bill goes before the committee we shall be able to get information on these points as to the present condition of the fund: Is it actuarially sound? If not, how much will be required to make it actuarially sound? Where will that money come from? Is there not any other source that it could come from but the treasury? Can we have an assurance that from this day forward the contributions by the Government and the employee will maintain the fund for all time in an adequate condition of solvency?

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. White, bill referred to Standing Committee on Banking and Commerce.

BRITISH NORTH AMERICA ACT

MOTION FOR ADDRESS TO THE QUEEN FOR AMENDMENT RE TENURE OF OFFICE OF JUDGES—MOTION FURTHER AMENDED AND AGREED TO

The Senate resumed from yesterday, the adjourned debate on the motion of Hon. Mr. Aseltine:

That a humble Address be presented to Her Majesty the Queen in the following words:

To the Queen's Most Excellent Majesty:

Most Gracious Sovereign:

We, Your Majesty's most dutiful and loyal subjects, the Senate of Canada in Parliament assembled, humbly approach Your Majesty, praying that You may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom to be expressed as follows:

An Act to amend the British North America Act, 1867.

Whereas the Senate and Commons of Canada in Parliament assembled have submitted Addresses to Her Majesty praying that Her Majesty may graciously be pleased to cause a measure to be laid before the Parliament of the United Kingdom for the enactment of the provisions hereinafter set forth:

Be it therefore enacted by the Queen's most Excellent Majesty, by and with the advice and consent of the Lords Spiritual and Temporal, and Commons, in this present Parliament assembled, and by the authority of the same, as follows:

Amendment as to tenure of office of Judges. 30 and 31. Vict., c. 3.

1. Section ninety-nine of the British North America Act, 1867 is hereby repealed and the following substituted therefor:

Tenure of office of Judges.

"99. (1) Subject to subsection two of this section, the Judges of the Superior, District and County Courts shall hold office during good behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

Termination at age 75.

(2) A Judge of a Superior, District or County Court, whether appointed before or after the coming into force of this section, shall cease to hold office upon attaining the age of seventy-five years, or upon the coming into force of this section if at that time he has already attained that age."

Short title and citation.

2. This Act may be cited as the British North America Act, 1960, and the British North America Acts, 1867 to 1952, and this Act may be cited together as the British North America Acts, 1867 to 1960.

Commencement.

3. This Act shall come into force on the first day of September, nineteen hundred and sixty.

Hon. Salter A. Hayden: Honourable senators, before I proceed with my discussion on the merits of this resolution, may I first welcome to this chamber the most recently appointed senator (Hon. John M. MacDonald) and, as one who has spent some time in the Senate, assure him that he will find it very interesting, and I think he will find the company really good.

Hon. Mr. Brunt: Hear, hear.

Hon. Mr. Hayden: Another comment I wish to make before I get down to the business of the meeting is this: I have been wondering why the Senate was not consulted about the language and substance of the resolution which is before us. Certainly all the Attorneys General in the various provinces were consulted, but it would appear that we were handed a duplicate of a resolution which had been settled upon and introduced in the Commons.

Now, it may very well be that when legislation is initiated in the Commons the Government, which takes the responsibility for it,

and those who are following out the instructions of the Government will settle the form of the bill, and after it goes through the Commons it comes to us and we are free to deal with it as we see fit. But this resolution is not in any sense a bill as we understand a bill which originates in the Commons. I do not see in this resolution any of the political implications that might ordinarily be found in some legislation, and I should have thought that the more desirable way of doing this would have been to consult with the Senate so as to try to reach some agreement on what the form of the petition and the presentation to the imperial Parliament should be, and possibly even to make it a joint address if that were possible.

Instead of that we are faced with a resolution in a certain form which has passed the House of Commons, and we may or may not pass it in that form. That may present some problems which will have to be resolved if any further action is to be taken.

I mention this in the beginning because we need not approach this question solely on the ground that we must conform to the form and substance which has been presented to us for fear that there may be some consequences that we do not want. Solutions can be found to anything, and if in the course of the progress of this resolution changes are made, well, whatever the consequences are, they will have to be resolved in the best way they can.

Coming down to the purpose of the resolution, I propose to follow pretty well the sort of presentation which my friend the honourable senator from Inkerman (Hon. Mr. Hugessen) made last night, but before doing so I should like to commend him very heartily for the quality of his presentation, and that goes even for some of the things he said with which I do not entirely agree. I respect his view, and it may well be that when I am through you will feel that his view is the better of the two. I hope not, and I will do the best I can to convince you that mine is a better view.

We start off by being in agreement, which is a good way. It softens the blow later on. We are in agreement on the question of the reference in the resolution to the tenure of office of county and district court judges. Why that is included in the resolution I do not know. I have not been able to work out any answer which satisfies me.

For a long period, possibly 50 or 60 years, we have proceeded on the basis that the federal Parliament had authority to control and limit the tenure of office of county and district court judges, and we did it under the Judges Act. But last night my friend the senator from Hanover (Hon. Mr. Brunt) suggested some explanation of why the tenure of office of county and district court judges was included in the resolution at this time. I notice his very careful language was that there was a doubt, and I think he seemed to imply that there was a doubt that was inherent in the subject-matter and apparently not particularly discovered until recently. Well, even doubts are not enough to entitle a jury to give the benefit of a decision to the accused rather than to the Crown. What must be found there is not a doubt but a reasonable doubt, and I am wondering whether the honourable senator from Hanover, who is a lawyer, was being very careful in his language when he said there was a doubt and did not say that there was a reasonable doubt.

Hon. Mr. Brunt: I never make distinctions as fine as that.

Hon. Mr. Hayden: Except when it suits the purpose. Then they get very fine.

When we come down to a consideration of this question under the British North America Act we find the provision in relation to the appointment of county court judges in section 96, which says:

> The Governor General shall appoint the Judges of the Superior, District and County Courts in each Province, except those of the Courts of Probate in Nova Scotia and New Brunswick.

There is no reference in the Constitution to the tenure of office of county or district court judges. I think it is recognized as being an elementary common law principle that where the power of appointment is given, as this power of appointment is given, in the absence of any prescription as to tenure of office the appointing authority is the authority to impose the tenure of office. Therefore, in my view, when the Parliament of Canada provided in the Judges Act that county court judges should retire at 80—I think this was in 1903, and later the retiring age was lowered to 75—it was exercising its undoubted authority to do that job, and there has been no contest in relation to the exercises of that authority in all those years.

It is completely unnecessary, in my view, to include at this time the tenure of office of county court judges in any address to the imperial Parliament to deal with an age limit of 75. It has been dealt with in a way that has been accepted over all these years. I am opposed to this inclusion, because it is doing the reverse of what we should be doing at this time. That is, we should be addressing ourselves to trying to work out some method by which the place of domicile for the determination of any constitutional changes would be right here in Canada.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Hayden: Therefore we should not be committing ourselves to anything that is not absolutely necessary within the limitations that we now have in the Constitution.

That is what I have to say about county and district court judges. Having said that, obviously if there is a motion to strike the reference to county and district court judges out of the resolution I shall support it. If there is not such a motion, then its inclusion in the resolution which is to go forward is such that I will have to vote against the resolution.

The next question is the age limitation to be imposed upon superior court judges. On the retroactive feature of that provision, making it apply to judges presently on the bench, I have this to say. I think most honourable senators who have been here for some time know very well what my view is with regard to retroactivity in any legislation. I am opposed to retroactivity in principle, with the sole exception that if in tax legislation the retroactivity is beneficial to the taxpayer I am in favour of it.

Hon. Mr. Brunt: You are all for it.

Hon. Mr. Macdonald: So say we all.

Hon. Mr. Hayden: And in any other legislation which has a retroactive feature beneficial to the citizen, I am in favour of it. But with respect to retroactive legislation affecting a group of persons who accepted their appointments under terms and conditions which did not include that feature, I am opposed to it.

That is a second reason why I would vote against the resolution. In voting against the resolution for that reason I may not find myself in a great majority. But I have been on the minority side of things before, and I expect I shall be again. It is refreshing once in a while to stand up and assert your views and be prepared to take the results that follow.

Hon. Mr. Crerar: Hear, hear.

Hon. Mr. Thorvaldson: Would the honourable senator permit a question? I should like to ask him if he considers there is any difference in principle between the retroactive feature of this subject-matter and the situation that existed in 1903, when the age limit for retirement of district and county court judges was established at 80 years, and later, in 1913, when the limit was reduced to 75 years?

Hon. Mr. Hayden: I think there are some differences, but let me say that even if there were no differences, as far as I am concerned it is a matter of principle, and that being so my position would be the same.

With respect to county court judges and the limit of their term of office on the bench in 1903, I should point out that the authority in the British North America Act at that time was simply an authority to appoint judges, and therefore Parliament had a clear right, without commitment of any kind, to fix the tenure at such term as it might desire, and to change it from time to time. Whether the making of it retroactive, which I assume was done in 1903, was justified or not, is a matter of viewpoint. I may say to my honourable friend if it were made retroactive I would have been opposed to it, had I been in a position to do so at that time. However, I do not think at that time my voice was strong enough or couud be raised with sufficient force that anybody would have paid any attention to it, certainly not for such purposes, though perhaps for other purposes I got attention.

Hon. Mr. Brunt: I am sure you must have.

Hon. Mr. Hayden: But on principle, two wrongs don't make a right.

There have been a number of instances in Canada in relation to the Supreme Court Act, which I thought was the question my friend was going to put to me. For instance, in 1927—

Hon. Mr. Thorvaldson: The same thing applies.

Hon. Mr. Hayden: —the provision was imposed retroactively upon judges of the Supreme Court of Canada. If my honourable friend is interested in seeing what were the views at that time of a very prominent citizen of Canada, whose views I am sure in many respects my friend would welcome every opportunity to support—

Hon. Mr. Thorvaldson: I have read them, but I may not agree with them.

Hon. Mr. Hayden: —he would see that there was a division of opinion at that time as to the retroactive feature of it.

Bad cases make bad law, and I think in the legislation of 1927 there was at least one bad case which, in my view, made bad law. In that instance the Government of Canada repented in 1930 and tried to make amends as best it could. I am not suggesting any monetary amends here. I am only saying that I am opposed to the principle of retroactivity.

The basis on which these judges came to the bench is very clear, and even if the judges came to me and said "We are prepared to accept this provision and to retire," it still would not affect my thinking or my view of the proposed approach to this question.

Remember, honourable senators, I am not putting it on the basis that it is a breach of contract, and that these persons have

any right to claim damages for loss of position. I am not putting it on the basis that there is any constitutional impediment to the doing by the Government of Canada of what it proposes to do. I am putting it solely on the basis that retroactivity applied to an office such as a judgeship is wrong in principle; that judges who are already on the bench were appointed on a certain basis which they accepted under the then provisions of the British North America Act—and they still exist—under which the tenure of office is prescribed as during good behaviour, which is equivalent to a life appointment, with provision for removal in certain circumstances.

These men addressed themselves to a consideration of their acceptance of office in the terms of the laws as they then stood. I disagree with what my honourable friend from Inkerman (Hon. Mr. Hugessen) said last night, when he was considering retirement as a possible occupational hazard. It would appear now that it turns out to be an occupational hazard, but I should have thought the prime office carrying an occupational hazard would be membership of the House of Commons.

Hon. Mr. Brunt: You have never been a member of a municipal council.

Hon. Mr. Hayden: I would include any of the elective offices. But a person who accepts a judgeship on the basis of the provisions then contained in the British North America Act, knowing that under those provisions the only authority or change rested in the imperial Parliament—and that situation has persisted for a long time—I say is justified in assuming that he is entitled to remain in that office so long as he has the capacity to perform his duties.

Having said that, there are one or two other remarks which my friend from Inkerman (Hon. Mr. Hugessen) made last night which I should like to deal with. My friend disposed of the question as to whether there was a contract and a breach of contract summarily, in the sense that he determined that on elementary principles there was not a contract, and that therefore the proposition which was put forth by the honourable senator from Vancouver South (Hon. Mr. Farris), that it was a breach of contract, had no foundation in fact or in law.

There is no use discussing the matter on the basis of a breach of contract, because there is no remedy. Parliament has power to abolish an office, it has power to terminate employment, and no action can be taken for damages for loss of office. Therefore, to talk about a breach of contract in the ordinary legal sense is just wasting time. To talk about it in the sense of the moral or the equitable aspect is something else.

My friend in his remarks last evening referred to the case of *Reilly v. the King*, and, I am sure, as an *obiter* to his reasons for judgment in making the decisions he did on this resolution, he made some comment on the footwork of the Privy Councillors. I must say that they do show an excellent knowledge and perception of law, and I would add that my friend in his remarks last evening displayed an adroitness at least equal to that of the Privy Councillors. The Privy Council did consider the contract aspects in the Reilly case, and, if I may, I will read just a portion of the judgment:

> The petition of right is founded on averments that there was a contract between the suppliant and the Crown and that the contract had been broken.

That is very simple to understand.

> Both courts in Canada have decided that by reason of the statutory abolition of the office Mr. Reilly was not entitled to any remedy, but apparently on different grounds. Maclean J. (who was the trial judge) concluded that the relation between the holder of a public office and the Crown was not contractual. There never had been a contract: and the foundation of the petition failed. Orde J.'s judgment in the Supreme Court seems to admit that the relation might be at any rate partly contractual; but he holds that any such contract must be subject to the necessary term that the Crown could dismiss at pleasure. If so, there could have been no breach.

This is what the court says, and if it is adroitness then it is an adroitness that I admire, and I also admire the perception of mind that can make such a keen analysis.

> Their Lordships are not prepared to accede to this view of the contract, if contract there be. If the terms of the appointment definitely prescribe a term and expressly provide for a power to determine "for cause" it appears necessarily to follow that any implication of a power to dismiss at pleasure is excluded. This appears to follow from the reasoning of the Board in *Gould v. Stuart*. That was not the case of a public office, but in this connection the distinction between an office and other service is immaterial. The contrary view to that here expressed would defeat the security given to numerous servants of the Crown in judicial or quasi-judicial and other officers throughout the empire, where one of the terms of their appointment has been expressed to be dismissal for cause.

Here is where they come to the question:

> In this particular case their lordships do not find it necessary to express a final opinion on the theory accepted in the Exchequer Court that the relations between the Crown and the holder of a public office are in no degree constituted by contract. They content themselves with remarking that in some offices at least it is difficult to negative some contractual relations, whether it be as to salary or terms of employment, on the one hand, and duty to serve faithfully and with reasonable care and skill on the other. And in this connection it will be important to bear in mind

that a power to determine a contract at will is not inconsistent with the existence of a contract until so determined.

But the present case appears to their Lordships to be determined by the elementary proposition that if further performance of a contract becomes impossible by legislation having that effect the contract is discharged. In the present case the office held by the appellant was abolished by statute: thenceforward it was illegal for the executive to continue him in that office or pay him any salary: and impossible for him to exercise his office. The jurisdiction of the Federal Appeal Board was gone. The position, therefore, seems to be this. So far as the rights and obligations of the Crown and the holder of the office rested on statute, the office was abolished and there was no statutory provision made for holders of the office so abolished. So far as the rights and obligations rested on contract, further performance of the contract had been made by statute impossible, and the contract was discharged. It is perhaps unnecessary to add that discharged means put an end to and does not mean broken.

That may be an adroit and skilful analysis, but certainly the contract feature is interwoven into the judgment of the Privy Council. I did not expect to have to deal with the point, but my friend raised it and felt that this case established a principle, or, at least, that the thinking of the lower courts did, but the Privy Council dealt differently with the contract aspect. It is true that the judgment did not proceed to a conclusion on the basis of contract, but I do not understand that there is any urging here that if there has been a breach of contract there is a right in the person who has been hurt by the breach of contract to make any claim in respect of it. It is only urged by me on the basis that, having regard to the circumstances under which an appointment was accepted and the state of the law at the time, when there is a change in the tenure of office subsequently to be made it should, in justice, not be made retroactive.

There was one other aspect that the honourable senator from Inkerman raised. He suggested that the appointment of a judge was not a matter of contract but, rather, the exercise of a royal prerogative. I may be wrong, but I am sorry that I cannot agree with that, because the Governor General is given the authority under the British North America Act to make the appointment. The terms of his Letters Patent under which he is appointed contain this provision in paragraph 4:

And We do further authorize and empower Our Governor General to constitute and appoint, in Our name and on Our behalf, all such Judges, Commissioners, Justices of the Peace, and other necessary Officers . . . as may be lawfully constituted or appointed by Us.

Now, as I see it, if there ever existed a prerogative right inherent in the position of the Crown, or of the Governor General, to appoint judges, that has been cut down by virtue of the statutory provision in the British North America Act. In that sense the prerogative, if there ever was a prerogative, has merged in this statutory provision, and under the Letters Patent constituting the Governor General the way in which he functions now in making appointments is to the extent that he may lawfully constitute and appoint judges. Whatever the relationship is, if it is not a contract and if it is not the exercise of a prerogative, I suppose at least we can say that the judge is not drafted. I would not say he is a volunteer to the office, but, at least, he willingly accepts the conditions of the office.

Hon. Mr. Monette: Is it an offer or a command?

Hon. Mr. Hayden: I was just coming to that. When a lawyer is asked if he will accept an appointment to the Supreme Court of Ontario I cannot distinguish between calling that an invitation or an offer, and when he attends and is sworn in and accepts the responsibilities of his office it would appear to me, whether or not you call it legally satisfying the elements of a contract as they appear in the decided cases, that the judge and the Crown got together and reached an agreement under which one said: "I will make you a judge if you accept", and the other said: "I will accept the responsibilities", and as a result of that he became a judge. I am not too concerned about the terms. It has been said that a rose is a rose, no matter what name you call it. If as a result of what the Crown says, and if as a result of what the person who is approached says, they get together and the person approached becomes a judge and accepts the responsibilities of office, there has been an agreement of some kind. The only complaint I have arising out of that agreement is that in changing the tenure of office regard should be had to the terms and conditions under which the position was offered to the judge and under which the judge accepted it.

There is one other thing I want to mention and that is the constitutional aspect. I said earlier that as far as I am concerned there is no constitutional aspect involved in the question of whether or not the tenure of office of superior court judges should be limited to 75 years or any other age. The only constitutional aspect involved here is that it would appear the Canadian Parliament does not have the authority at this time to do this act itself and therefore it proposes to petition the imperial Parliament to do it. There has been some suggestion here—and there was even a motion, which was ruled out by His Honour the Speaker—that these questions be referred to the

Supreme Court of Canada. I am inherently opposed at this time to referring any of these questions, particularly questions involving an interpretation of the 1949 amendment of the British North America Act, to our courts for interpretations. I am afraid as to what the finding might be, for the wording of the 1949 amendment is one which gives me deep concern as to its scope because it does add a new clause to section 91 of the British North America Act, which is the section dealing with the powers of the federal Parliament. The new clause reads:

> The amendment from time to time of the Constitution of Canada, except as regards matters coming within the classes of subjects by this Act assigned exclusively to the Legislatures of the provinces . . .

And then it goes on to deal with certain other exceptions.

If it is correct that section 91 deals with the powers that are exclusively enjoyed by provincial Legislatures, does it mean, then, that the Parliament of Canada may amend the Constitution not only in matters over which it is given exclusive jurisdiction by this section but also over matters in which there is concurrent jurisdiction between the provincial Legislatures and the federal Parliament?

I can envisage how complicated the problem would become if we were to submit this question to the courts for a ruling. I do not think this was intended. My reason for saying this is based on an examination I made of the proceedings of the Constitutional Conference of Federal and Provincial Governments held in 1950, at which time the Attorneys General of the various provinces met with the Attorney General of Canada to discuss an amending procedure for the Constitution of Canada.

This conference was held in two parts, the first in January 1950 and the second in September of the same year. In January a Committee of Attorneys General recommended that the provisions of the British North America Acts 1867-1949 and other constitutional acts be grouped under six heads, namely:

(1) Provisions which concern Parliament only.

The committee recommended that the amendment of these provisions should be made by an act of the Parliament of Canada only.

(2) Provisions which concern the provincial Legislatures only.

The committee recommended that they should be made by an act of the provincial Legislatures.

(3) Provisions which concern Parliament and one or more but not all of the provincial Legislatures.

The recommendation of the committee was that provision should be made for an amendment by an act of the Parliament of Canada and an act of the Legislature of each of the provinces affected.

(4) Provisions which concern Parliament and all of the provincial Legislatures.

As to this the committee recommended that an amendment should be made by an act of the Parliament of Canada and acts of such majority of the Legislatures and upon such additional conditions, if any, that might be decided upon.

Then we come to the fifth provision, which is a very important one:

(5) Provisions concerning fundamental rights (as, for instance, but without restriction, education, language, solemnization of marriage, administration of justice, provincial property in lands, mines and other natural resources) and the amendment of the amending procedure.

With regard to this the committee recommended that amendments should be made by an act of the Parliament of Canada and acts of the Legislatures of all of the provinces. The sixth and final classification was:

(6) Provisions which should be repealed.

That was the report presented by the committee of the Attorneys General at the January session of the conference and it was dealt with in the interim by a secretariat that was set up, and the results were compiled in the conference report of September.

In my submission one cannot read these provisions without appreciating that as early as January 1950, notwithstanding the amendment to the British North America Act in 1949 which seems to confer the broadest powers on the Parliament of Canada acting alone, this was not the view of the Attorneys General of the provinces and the then Prime Minister of Canada when they sat down and worked out a formula for approaching the various sections of the British North America Act with a view to making amendments.

My position is quite simple. On an issue such as the imposition of a compulsory retirement age limit of 75 years for superior court judges, I would be opposed at this time to referring to the Supreme Court of Canada the question of whether or not the Parliament of Canada may constitutionally do this without going to the imperial Parliament. By referring this question to the Supreme Court of Canada we might receive a judgment that would create a very disturbing situation so far as interprovincial and federal relations are concerned.

There seems to be a basis of approach in the report of the conference and, as a matter of fact, in September 1950, as a result of the briefs that were filed by the Attorneys General, out of 140-odd sections of

the British North America Act the Prime Minister said that as a result of the views expressed by the Attorneys General there were still approximately 30 sections left on which a procedure for amending within Canada had not been resolved and agreed upon. I would rather see that sort of conference proceeded with than have any declaration made by the court as to what the 1949 amendment means. I would rather see these conferences held in an attempt to advance farther along the road to agreement, for there is less danger of encountering difficulties and objections if you stay away from getting court pronouncements. You might have to wait many years and you might have to undo a multitude of things in order to become the master in your own house and have the complete right to amend your Constitution in every respect. Because of the peculiar way in which we are set up in Canada, the rights of the provinces must be considered in adopting any procedure for amending the Constitution within Canada. To a substantial extent the provinces must be parties to the agreements that are reached and to the procedures that must be followed in order to achieve that internal or domestic amendment or change in our Constitution. It is only when we arrive at that stage that we can hope the parties will be able to sit down and possibly write a Canadian Constitution for and by Canadians. I think that is the ultimate that is desired.

I appreciate very much what the honourable senator from Grandville (Hon. Mr. Bouffard) said last evening, and I agree with much of what he said in relation to this constitutional amendment. However, my overall view is that I am so disturbed over the possibility of a roadblock being thrown in the way of the orderly processing of relationships, federally and provincially, to the end that we may achieve a method by which we can have domiciled in Canada the authority to make our own constitutional changes, that I would object very strongly to any reference to the Supreme Court of Canada. I think this particular subject-matter, relatively set in that larger background, is so completely unimportant that it would be most inadvisable for us to contemplate even the suggestion that the Government should make a reference of this question to the Supreme Court of Canada.

Hon. David A. Croll: Honourable senators, this resolution proposes an address concerning judges. I am prepared to enter into the spirit of it by first using a statement often used by judges—I concur in the judgment of my brother the honourable senator from Inkerman (Hon. Mr. Hugessen). I adopt both his reasoning and his conclusions. It is hard to improve on anything so good as his speech yesterday, and I am not going to attempt it. I have a few observations to make with respect to the resolution, on which so much has been said of great importance.

This resolution provides for an addition to the British North America Act—which is our Constitution—in the form of an express provision that judges of district and county courts hereafter shall be removable by the Governor General on an address of the Senate and the House of Commons. Their appointment heretofore has always been under a statute of this Parliament that dates back to 1882, a mere matter of 78 years. Their removal, and there have been very few instances, has brought no charge of partiality or undue publicity; in fact, it has worked satisfactorily.

The Government intends by this address to fix the age of compulsory retirement of district and county court judges so as to make it part of the British North America Act.

The Parliament of Canada has exercised the necessary legislative authority over the appointment of the district and county court judges for 78 years. Surely by this time it is confirmed by both precedent and practice. Furthermore, the judges have been subject to an act of this Parliament providing for compulsory retirement at the age of 75 years since 1913, a period of 47 years. We are free, and we always have been free, to amend our own statute dealing with conditions of employment of district and county court judges, since we first began to appoint them. Now in the year 1960, almost three generations after the passing of the Statute of Westminster, it is proposed by this resolution to incorporate into the British North America Act rights that belong to us without challenge. We ask why, and we are told that there are doubts about their legality in the minds of some persons in the Justice Department. Well, it is time that this doubtful doubt was resolved in favour of the people of Canada, and not Westminster. The doubting Thomases in the Justice Department cannot be allowed to write our Constitution. If we adopt what is presented to us today, a change in the tenure or conditions of employment of district and county court judges would in future have to be agreed to by the Parliament of the United Kingdom. We of our own free will and accord, if we pass this resolution in its present form, ask for limitation of our own powers which we have exercised almost from the birth of this country. We replace our Parliament, in this particular instance, with the Parliament of the United Kingdom.

Hon. Mr. Roebuck: Hear, hear.

Hon. Mr. Croll: It seems to me that in this day and age only a man from Mars would suggest that. To me, it is unbelievable, unthinkable and unexplainable. Of course, by this time honourable senators will have readily come to the conclusion that I do not intend to support the address in so far as it pertains to district and county court judges.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Croll: The imagination of this generation—my generation, anyway—has been touched by a Bill of Rights. On the one hand, we are handed a bill of rights, which we welcome—I particularly welcome—and then we are asked to give up powers that belong to Parliament, send them across the sea to Westminster—powers, as I say, that we have exercised for 78 years—and to take what for me is obviously a backward and uncertain step into the realm of colonialism.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Croll: We ceased to have colonial status in 1931. It was then that we undeniably gained equal rank with all other countries within the commonwealth, and the Statute of Westminster was the legal step that capped the arch. It declared us to be equal in status, in no way subordinate in any aspect of our domestic or external life. To pass this resolution in its present form would be to take a humiliating and retrograde step. It asks Westminster to do that which we have the right to do, and have always had the right to do. As for myself, I find it both distressing and humiliating that Canada should be the only dominion that has to turn to Westminster to amend its Constitution. Of all the members of the commonwealth—Canada, Australia, New Zealand, South Africa, India, Pakistan, Ceylon, Ghana, and Malaya—Canada is the only one which has not the right to amend its own Constitution.

How would you undertake to explain this to other members of the commonwealth who look upon us as the senior member of the commonwealth? How can you explain this to members of the United Nations who hold us in such high regard and respect and esteem? And yes, how can you explain it to the Canadian people—how can you explain to them or to yourself the proposition, so ably put by the honourable senator from Grandville (Hon. Mr. Bouffard) yesterday, that when all the provinces and the dominion are in full agreement on a matter of consequence to our Constitution we should still have to go to Westminster in order to obtain approval? No one would believe it and they would stare at you, almost to the point of asking you what kind of people govern this country that would stand for that sort of condition.

Now, if we are, as I believe we are, an independent country, the more often we assert that claim and the more often we put it into practice the better it will be. This is an opportunity that I am not going to pass up.

I got thinking about this matter last night. I was impressed by the speech made by the honourable senator from Inkerman (Hon. Mr. Hugessen) and by other speeches too. They kept bothering me and I got to thinking about the whole matter. I asked myself how it was that people did not get so involved and so wrought up about this thing as I was, and then some words came to my mind and I went to look them up. They are words that were spoken by a great Canadian, and some of you may immediately recognize who said them. They are:

> I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think is right, free to oppose what I think is wrong, free to choose those who shall govern my country; this heritage of freedom I pledge to uphold for myself and all mankind.

I am sure that everybody knows these words were uttered by the Right Honourable the Prime Minister of this country a week or ten days ago. These are very inspiring words. They moved me, and they moved me to do just what I propose to do. I ask you to remember particularly his words, "free to choose those who shall govern my country". I choose Canadians to govern my country. I am not going to be a party to liquidating, eroding or diluting our Constitution. Not through me will Canadians lose their independence and sovereignty. I am not prepared to repatriate to Westminster yet more power over Canadian sovereignty. I want what is still at Westminster to be returned to my country now or as quickly as possible. Certainly I intend to hold what we have, and in order to strike a blow for independence and for sovereignty and in the interest of protecting what we have at the present time I offer the following amendment.

I move, seconded by the Honourable Senator Power, that the motion be further amended in the proposed section 99, as follows:

> That the words "district and county" be deleted from line 2 of subsection (1) and that the words "district or county" be deleted from line 1 of subsection (2).

Hon. W. D. Euler: Honourable senators, it is probably true that we have had under debate in this chamber resolutions and bills which were more important than the resolution now under discussion, but in a long period of parliamentary life—some 20 years in the Senate, and a little longer in the House of Commons—I cannot recall a more brilliant debate, made, in large part, by men

of high legal attainments. The debate has been on a high level, well reasoned, and moderate in the expression of opposing views.

Perhaps the debate has had that high standard because it was carried on largely by members of the legal profession. Therefore, so humble a layman as myself might well hesitate to inject himself into a discussion of that nature, and I do not intend to do so. There are, however, two aspects of the resolution which, to my mind, lend themselves to the application of ordinary good judgment, plain common sense and good Canadianism.

One aspect is the provision that judges of the superior court should retire at the age of 75 years; the other is that the British Parliament be requested to amend the British North America Act to the effect that this Parliament has the constitutional right to deal with our judges, as proposed, and to remove any doubt as to the course taken in the past. I shall deal with the compulsory retirement matter first.

The senator from Vancouver South (Hon. Mr. Farris), who is not in the chamber today, contended very strongly indeed, and in impassioned language, that the appointment of these judges during good behaviour implied a contract that is good for life, and, therefore, if this resolution passed and the British North America Act was amended as requested the result would be a breach of promise—not in the way we often speak of it—a definite breach of contract, which in his opinion is entirely wrong and indefensible. I think there was only one other member of the Senate, namely, the senator from Toronto-Rosedale (Hon. Mr. Leonard), who supported the argument that this was a contract and was incapable of being terminated in the way suggested here.

On the other hand, the senator from Inkerman (Hon. Mr. Hugessen) made an eloquent speech in this house last evening, a speech which I cannot adequately and fully describe. It was full of common sense, well prepared and reasonable in every respect. Yet he took the view exactly opposite that of the two previous senators I have mentioned.

My friend from Toronto (Hon. Mr. Hayden) today stated he was not in agreement at all with his colleague from Vancouver South (Hon. Mr. Farris) and did not regard the appointment of judges as a solemn contract.

I do not wish to make any invidious comparisons of speeches, because for the most part they were eloquent and brilliant. But I must say that I was particularly impressed with the views expressed by the senator from Inkerman. So, in the face of conflicting opinions of the two eminent lawyers I have just mentioned, I feel inclined to agree with my friend from Inkerman. After hearing his speech last evening—and I have heard him on many occasions before—I am not at all surprised that he is this year heading the bar of the province of Quebec.

I am proceeding on the assumption that this Parliament has not only the legal right, but the moral right, to retire judges at the age of 75 years. I am in favour of that part of the resolution. I reach that conclusion on the one definite principle that the public interest is the paramount consideration in this case.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Euler: In my view, it is true in a general way that men at 75, and sometimes even at a lower age, find that both their physical and mental powers begin to wane. Of course, there are exceptions to that rule, but in a general way I believe it is true. Perhaps in saying that I am making a remarkable admission under all the circumstances, being myself above the magic and tragic age of 75 years.

Judges are in an unusually responsible and important position, as compared with any other officials in the country. The power of a judge in the administration of justice is so great, and has or may have such an effect on individuals, that surely it is an absolute necessity that he be competent to perform his duties in every way.

By the way, it strikes me as rather a peculiarity that for some three-quarters of a century we have been retiring county and district court judges at 75 years, and judges of the Supreme Court of Canada are subject to the same limitation, yet the same limitation is not placed upon judges of the intermediate courts. As I say, the limitation applies, on the one hand, to the judges of the highest court in the land, and, on the other hand, to the judges of the county and district courts.

Hon. Mr. Thorvaldson: It also applies to judges of the Exchequer Court.

Hon. Mr. Euler: I fail to see why we should not have uniformity in this respect among all judges.

Hon. Mr. Roebuck: May I suggest that the explanation is that the control seems to be in the hands of the imperial Parliament. This is a very good illustration of the effect of our local affairs being in a distant Parliament rather than in our own.

Hon. Mr. Euler: Quite so. But, if it be desirable, as I think it is, that judges should be retired at 75 years, I am surprised that application has not been made to the Parliament in Great Britain to amend the British

North America Act so that we might have uniformity in the matter of retirement of judges of all courts.

Since the judges themselves are not opposed to this retirement age—according to my friend from Inkerman (Hon. Mr. Hugessen), and I think he knows—and since the pension allowance seems fairly adequate and reasonable, and since I am sure the public would approve of retirement of all judges at 75 years, in the general public interest, I am in favour of that part of the resolution.

With regard to the proposal to ask the Parliament of Great Britain to change the British North America Act to ensure that the proposed legislation is constitutional, I feel this would be a retrograde step, and especially so with the inclusion in that act of the proposed provision respecting appointment of county and district court judges. For 57 years, as has been stated here—in fact, I believe it is longer than that—

Hon. Mr. Roebuck: Seventy-eight years.

Hon. Mr. Euler: Yes; for 78 years the Canadian Government has had the authority to make these appointments, and has made them, and no one to my knowledge has ever questioned its power to do so. Why abrogate that power now? The only person who has apparently raised the constitutional point is the Minister of Justice who is, perhaps, advised by his officials. But why make a change now? As the senator from Grandville (Hon. Mr. Bouffard) so eloquently and forcefully asked last night, why increase the power of a Parliament in another country and, by the same token, diminish the power of our own Parliament? I think most of us would prefer that there be no Parliament, even the British Parliament, that could in any way whatsoever place us in a subordinate position with regard to our own affairs.

Some Hon. Members: Hear, hear.

Hon. Mr. Euler: Lawyers, notably, and courts like to be governed by precedents. I have not quite the respect for precedent that some lawyers seem to have, but apparently precedents very often make law, and surely the fact that a practice has been carried on for 78 years should in itself make the practice constitutional.

I am not going to get into a constitutional argument in this regard, but if I may make an analogy I would point out that practice or custom is an important factor in our language also. Words that are slang in their origin become through general use recognized words in the English language. Even the editorial writers of today are using the word "raise" as a noun when they mean an increase. That is offensive to me, but it has apparently been recognized because use makes it right. I do not think it will be very long before the word "guy" will become respectable. Another example is that today we use the expression: "It is me" instead of the correct but pedantic: "It is I." So, if there had ever been any doubt, which no one other than the Minister of Justice had, as to the legality of our appointment and retirement of county and district court judges, then surely 78 years of use have made our practice, if not legal, at least correct. I am, therefore, in favour of the amendment to delete the words "county and district courts" from the resolution by reason of their being unnecessary and contrary to our dignity as an independent nation.

While in conversation with our American friends from time to time I usually mention the fact, when they ask me questions with regard to our autonomy, about which they do not seem to have a correct idea at all, that I am proud of the fact that in recent years we have been to all intents and purposes an independent country, and that the only authority we acknowledge is the Queen of Canada, who is also the Queen of England. It is a little difficult to maintain that position when we find we still have to obtain permission from the British Parliament to do something which our boasted autonomy should permit us to do.

I would like to see the Prime Minister carry out very soon the implied promise he made when he expressed his hope of bringing about some method by which we could amend our own Constitution without any exception whatsoever. I wish he could receive the support of the provinces which is necessary, apparently, in that regard, so that the differences between the federal Government and the provinces would no longer have to be referred to the Parliament at Westminster but would be settled by the Supreme Court of Canada, the highest judicial authority in this country. Only in that way will we be completely autonomous.

I asked a question of one who ought to know, and he gave me an answer which I hope is correct. I asked: "What is the situation in Australia, which is constituted very much as Canada is, although Australia is composed of a number of states instead of provinces? Australia has a federal Government, and so, I think, has South Africa. Are these countries under the necessity of applying to the British Parliament for a change in their Constitutions?" The reply I received was that they have complete power and authority to change their Constitution in any way that they may find advisable.

I say that final disposition of disputes or differences between our provinces and the federal authority should be made by our own

Supreme Court of Canada. Surely, all Canadians should have confidence in the fairness, competence and objectivity of this highest court in the land and should not remain in the rather humiliating and subordinate position of preferring the power of another Parliament to that of their own. The colonial status that is implied in this part of the resolution is repugnant to me. Let us not recognize it any more than is necessary and endeavour to obtain the undoubted right to amend our Constitution in every respect, with no exceptions whatsoever.

In conclusion, I am going to make a suggestion which may startle the members of this house. I would even support complete repeal of the British North America Act and its replacement by a strictly Canadian Constitution that would preserve all the rights the provinces now have and thus ensure that we are masters in our own house.

Hon. John G. Higgins: Honourable senators, it is with much diffidence that I enter the realm of this debate. The discussion has been of a very high order. It has been marked by great clarity and much learning, as one would expect of discussion by men holding high positions in legal and other circles of Canada. It is thus almost with apology that I rise to try to dispel the feeling that the manner by which we are trying to put the resolution into effect is taking us back to the days of colonialism and subservience.

We have been told that the sovereignty of Canada will be impugned by sending this resolution to the British Parliament. I shall not take much time upon this point. I dealt at length with the sovereignty of Canada in my speeches of April 6 and May 12 of this year. I said then that the British North America Act must be read in the light of the Statute of Westminster, so that wherever the word "Queen" occurs in the British North America Act it should now read "Queen of Canada", whereas in 1867 it meant the Queen of England. Some weeks ago the honourable senator from De la Durantaye (Hon. Mr. Pouliot) claimed that section 56 of the British North America Act is derogatory to the sovereignty of Canada in that it provides for the forwarding of each act of the Canadian Parliament to the Queen in Council and that any such act may be disallowed within two years of its passing. Certainly this is the one and only section of the act wherein the Queen in Council means the Queen of England, and my learned and honourable friend from De la Durantaye was right in his contention. However, by the convention of the Imperial Conference of 1930, this section became obsolete, ineffectual and unnecessary. Like my honourable friend from De la Durantaye I feel that, although it is innocuous, it should be taken from the statute books, for at the present time it is not altogether what one may call a nice-looking or nice-sounding phrase to have on our statute books. Its appearance is against it.

The British North America Act was kept outside the ambit of the Statute of Westminster at the request of Canadian statesmen. Otherwise, keeping the act in force would be a direct antithesis of the purport and the real meaning of the Statute of Westminster. The reason for this request was that the British North America Act is the charter that regulates the relationship between the federal Parliament and the provincial Legislatures. It sets out the rights of the federal authorities and the provincial authorities. It is, in effect, a makeshift only and will exist until, and only until, Canada decides to ask for the repeal of the British North America Act and passes another act in its own Parliament which will form a new charter to regulate the rights and duties of the federal authorities and the provincial authorities. But while the makeshift exists, if Canada wants to repeal any section of the British North America Act it must request the British Parliament to do so. If the request is made, what happens? There is no doubt that the British Parliament regards itself only as a cipher, and what is requested is immediately granted. I hope I shall be pardoned for repeating what I said in my speech of May 12, as reported at page 579 of *Hansard*:

> There is not the slightest doubt that if Canada wants the repeal of the British North America Act carried out, or any amendment made, this will be done as a matter of course.
>
> Dawson, in his book, *The Government of Canada*, at page 148, explained the position clearly. In speaking of the situation brought about by the attempt at a Dominion-Provincial Conference in 1935 to provide a remedy for some change in the act, which was dropped because of the opposition of New Brunswick, he says:
>
> The scheme came to grief over the apportionment of clauses among the different amending authorities, which was, of course, the crux of the matter. It need scarcely be added that if a solution is found, the most relieved body will be the British Parliament. The present system imposes on it a thankless task, one in which it has no responsibility, but which may at any time expose it to criticism and attack from a dissatisfied province. "As a matter of mere legal machinery" said the British Solicitor-General with weary resignation, "it is still necessary, until some better method is evolved for amendment of the British North America Act, for the extension of the Canadian powers to be passed by this Parliament. But our Parliament, in passing such legislation, is merely carrying out the wishes of the Dominion Parliament and in that way the legal position is made to square with the constitutional position... We must operate the old machinery which has been left over at their request in accordance with their wishes."

I should be surprised if anybody thought that this showed any lack of sovereignty in Canada.

If we must have another charter setting out the respective rights of the dominion Parliament and the provinces, then let it be drafted, but it will be a difficult task and will take much time and statesmanship. There is no doubt that, according to the remarks I have just read, the British Parliament would welcome such a change. But let me add that those who talk easily and glibly about doing away with the British North America Act should realize that some other document must be drafted to take its place. There would have to be discussions as to whether all the provinces must unanimously agree with any proposed amendment or whether if one province disagreed it could prevent something that the other nine provinces wanted.

Those who drafted the British North America Act must have been men of first-class statesmanship, for that act has stood the test of time, almost 100 years, and it will be difficult to draft a charter to take its place. A change may come, but let it not come until some other effective and proper document is ready to take its place.

Hon. A. Neil McLean: Honourable senators, I regret I was not here when the honourable senator from Vancouver South (Hon. Mr. Farris) spoke on this resolution last week, but I have carefully read the speech in *Hansard* and it impressed me greatly. It was, in my opinion, one of the ablest speeches on such a subject I have ever read. The facts and data the honourable senator placed before the chamber with regard to this motion are very convincing. To prepare such an address, I know, took a great deal of time, research and hard work and I wish the honourable senator were here so I could congratulate him personally upon his most excellent contribution to this debate.

It is also my desire to compliment the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) upon his excellent speech of yesterday afternoon in which be covered the constitutional rights of Canada, and with which I agree.

It would seem to me that the passing of this motion in its present form would prepare the way for the breaking of a solemn understanding with our superior court justices now on the bench. It is all right for new appointees to the bench to be retired at 75, for they will know what their contract is when appointed, but those who are now there have a distinct understanding that they were appointed for life or as long as they could carry out their duties efficiently. I know that in the province I come from we have had to appeal to some successful lawyers to accept appointments as judges, for at the time they were appointed they were making a great deal more from the practice of their profession than the salary of a judge.

A judge, when appointed, takes a solemn oath. He has to set himself aside and lead a different life from the rest of us. He cannot mix up in business in any way. He has to break all business connections. In fact, even his right to vote is taken away from him. Therefore, he has nothing to say in the affairs of the country from a political standpoint. The great majority of judges have only their salary to live on, and they have to keep up a certain standard of living. None of the judges I know have been able to save any money. They have to buy a great many law books and to attend law society meetings in different parts of the country at their own expense. In return for setting themselves aside in this way they received a life appointment as a judge. Now to force their retirement at 75, when they are in good health and efficiently carrying out their duties, is not only breaking the solemn understanding they had when appointed, but for the most of them it means a sudden reduction in their standard of living. A compromise might be that if they are going to be forced into retirement at 75, they should at least be retired on full salary.

I understand it has always been in the power of the Government to retire justices if they have been incapacitated. I do not think the legislation which this resolution would prepare the way for is at all fair. As the present judges accepted appointment on a solemn understanding, and have fulfilled their part of it, the Government should certainly carry out its part of the bargain and not turn its back on them.

One of the greatest justices America ever had, if not the greatest, was Oliver Wendell Holmes of the Supreme Court of the United States, known as "The Great Dissenter". He sat on the bench until he was around 90 years of age, and his opinions on law were highly regarded everywhere; many of his judgments, handed down in his later years, are quoted time and again today. He trained quite a number of young lawyers, who afterwards were appointed to the Supreme Court of his country.

My own experience in doing business in many countries has been that a contract is a contract and should not be rejected or repudiated by either party without mutual consent. The very foundation of our commercial system is straightforwardness. In private business we have learned from experience that the

keeping of one's word always pays off, and the breaking of one's obligations leads to disrespect and trouble.

I listened with great interest to the honourable senator from Inkerman (Hon. Mr. Hugessen) last evening in this chamber. His was a fine address, but one part I could not agree with and that was about written contracts. It is probably quite true that the superior court judges now on the bench have no so-called written contract, but differentiating between a written contract and a verbal understanding is splitting hairs. When we in the Senate were called to this honourable body we had confidence that we were appointed for life. The same applies to our superior court justices on the bench at present. They had confidence that they were appointed for life, and quite rightly so. If not, we all have been living in a Jack Daw's paradise since Confederation.

A very large portion of private business is carried on without any written contract at all. I would say one half is done on understanding and confidence. All stock exchange transactions are entered into verbally, Dealings with investment houses are somewhat the same. As to bank credit, a banker agrees with an individual or company that the bank will advance a line of credit of several thousands of dollars or a million or so. There is no written contract, but the bank will honour the borrower's cheques for the full line of credit unless there is a subsequent mutual agreement otherwise.

Hon. Mr. Brunt: Don't you sign a note when you get money from the bank?

Hon. Mr. McLean: During the great monetary squeeze last summer I know a corporation that had a line of credit for several millions of dollars. As it had not used its full line of credit the bank contacted the company and asked what it wished to do. The bank could lend to deserving borrowers any balance not needed by the company, as money was extremely tight. Whatever was to be done would be mutual agreement. That is the way private business is carried on.

Surely superior court judges do not have to take second place to officials of Crown companies. All are paid with the taxpayers' money. Some officials of Crown companies receive double the salary of our justices or more, and we often hear it said that such officials cannot be retired before their contract expires, although I believe some have outlived their usefulness. Here I might say that age is not a safe measuring stick of one's efficiency or usefulness in any particular job. I have learned this from experience covering many years, and I feel strongly that this motion should be substantially modified before it is passed.

Hon. Mr. Brunt: Question.

Hon. Mr. Macdonald: Question.

Hon. Gustave Monette: Honourable senators, our Senate house is at present giving its attention to a most important question in relation to the proposed address to be presented to Her Majesty the Queen of the United Kingdom for the enactment of an amendment to section 99 of the British North America Act. The substance of the whole question is aimed at determining that Canadian judges of the superior, district or county courts, whether appointed before or after the coming into force of this act, shall cease to hold office upon attaining the age of 75 years, or upon the coming into force of this act, if at that time they have already attained that age.

Again, without much noise, as usual, our Senate is proceeding to fulfil a great national task in connection with the Canadian judicature toward maintaining throughout the country the high standard of judges to administer the law in the superior courts of all the provinces. In fact, we are actually participating in a most useful debate, and one of the most interesting that we have had in this branch of Parliament for many years. I am pleased to declare that I was much impressed all during this debate. I have learned to a large extent about many legal, constitutional and national aspects of the problem we are discussing. I have been impressed by the competency and the fairness of mind of all honourable members who spoke, and the great national usefulness of the Senate as one of the two legislative branches of the Canadian Government.

Hon. Mr. Power: Hear, hear.

Hon. Mr. Monette: Surely, in the public opinion we do not suffer from a lack of criticism against our house. While considered criticism is a good thing in a democracy, the public may often not be sufficiently informed that this House of Parliament has in our national life a necessary function which it fulfils adequately. True, senators are not elected, and they are not directly responsible to a particular constituency. When they speak in this house they do not feel that they should do so as if they were on a public platform at an election meeting. They are freer to consider quietly and with reasonable serenity the merits, the real substance, of the questions submitted to them. Surely we are not here to defeat systematically the essence of the legislative proposals that the country has approved at general elections. Conversely, it

is not expected from us that we should blindly approve, and particularly in all details, the legislation submitted by the Government. Our functions, to my mind, are, first, to seriously study every piece of legislation on its merits and, even when it is approved in substance, to oppose such particular features, clauses or expressions that could be inconsistent with or destructive of the main object of the matter under discussion.

The composition of the Senate is diversified indeed. We have here statesmen of long experience and long training, either in Parliament or in other phases of public life. We have professional men of great knowledge in the medical, scientific, engineering, economic and other fields, all able to give proper and cogent advice on technical or economic questions in debates before the house or committees, and as well in preparatory work and discussions. We have lawyers and barristers of special training and ability and of corresponding reputation from all provinces, who are able to discuss all the legal aspects, and, may I say, difficulties and intricacies resulting from a great mass of legislation, public as well as private, that is continuously developing in our Parliament. We have also a great number of successful businessmen who, possibly without claiming to have university degrees, have had long experience in business, and therefore in dealing with many kinds of human problems. Moreover, I will not fail to mention as a very important part of our body the senior senators, men of wide experience who may not speak often, but who in private consultation and discussion with other senators rarely fail to give the sound advice of wise men.

I am happy that this very important and brilliant debate has given me the opportunity to remind and emphasize for Canadians at large the very sound and useful role, not sufficiently known indeed, played by the Senate in the legislative direction of our country.

Honourable senators, since this motion has been on the Order Paper I have considered trying to participate in a substantial way in this debate. Unfortunately, owing to some matters of a private nature which detained me for quite a time and prevented me from keeping up my usual attendance at our deliberations, I was too late to try to make preparation worthy of this honourable assembly as well as of the fascinating subject-matter we are now dealing with. Happily enough, I have come to realize during these last few days, in following the very substantial and interesting speeches by honourable senators, that the numerous questions involved in the proposed address have been completely and satisfactorily covered, so that every Canadian may be fully informed on the problem at issue.

In referring to the speeches which have been delivered here, and in order to avoid repetition of what was so ably said, I beg the indulgence of honourable senators if I refer to only one of those speeches, that of the honourable senator from Inkerman (Hon. Mr. Hugessen). The honourable senator is close to me. He is a prominent member of our Quebec bar and, as honourable senators know, he was this year unanimously elected Bâtonnier of the bar of Montreal. Shortly afterwards he was further elevated at the bar and elected Bâtonnier Général of the whole province of Quebec. As we are all aware of his great knowledge of civil, commercial and constitutional law, and of his intellectual stature, fairness and unbiased mind, we are not surprised that he delivered yesterday such a clear and convincing pronouncement on all the essential topics of the question now at issue.

Being myself a former Bâtonnier Général of the province of Quebec bar, I am very happy to declare that I am in full agreement with the honourable senator from Inkerman on almost all the essential points of his speech. I have no hesitation in saying that, through his masterly interpretation of those difficult and fascinating questions of our constitutional law, he has brought great honour on the whole bar of our province of Quebec and has once more done justice to his great reputation as a legal counsel and legist. I hasten to add here an expression of my satisfaction in listening to the very interesting and diversified speeches of all honourable senators.

I wish to mention also that not only myself, but another barrister here, the honourable senator from Grandville (Hon. Mr. Bouffard), is also a former Bâtonnier Général of the Quebec bar, and undoubtedly appreciates the very high esteem in which the honourable senator from Inkerman is held by his fellow barristers of our province.

I now come to the question at issue, and I shall try to be brief. Firstly, as to the opportunity of reducing the tenure of office of judges to the age of 75 years, there seems to be no real issue on that point, though in some speeches it has been said that it is unfair to retire judges who are still alert. That may apply perhaps in most cases, while in others it may not. It may even be that some younger judges are not alert. Judges cannot be classified solely by age. Therefore, I appeal to the good sense and experience of honourable senators by saying that we have to fix an age limit for retirement. In the past it was fixed at 80 years. Today, for the

Supreme Court of Canada and some other courts the retiring age is fixed at 75 years. I feel that at this time, with the ever-increasing burden of work placed on judges, the proposal before us is a reasonable one, and we should find a way to fix retirement at the age of 75 years.

The speeches we have heard reveal that in all provinces there is a desire to terminate the careers of judges at the age of 75 years. Moreover, it has been a subject of constant recommendation by the Canadian Bar Association. That organization, fully informed as it is, may be said to have no authority under our Constitution to amend laws even about our judiciary. As far as the administration of justice generally is concerned, one could say that they are not the only persons who are interested. It could be said, without giving offence, that the first interest resides in the public at large, which is directly represented by parliament. However, no one would contend that the importance of the consistent recommendations of the Canadian Bar Association, whose members are trained and experienced advisors, and are barristers pleading before the courts, should be minimized.

My second topic is with respect to jurisdiction in the matter of courts and the appointment of judges. Sections 91 and 92 of the British North America Act deal with the respective matters which are assigned exclusively to the Parliament of Canada and to the provincial legislatures. It is clear, and it has been emphasized in the debate, that paragraph 14 of section 92 contains a provision which gives exclusive jurisdiction to the provinces to make laws in relation generally to the administration of justice in the provinces, including—and I ask honourable senators to please note these words: " . . . including the constitution, maintenance and organization of provincial courts". These words are very wide and comprehensive. There could hardly be any broader power than this, which is in respect to "the constitution maintenance and organization of provincial courts". There could be no clearer implication than that as to the power to organize and maintain the establishment and functioning of courts. In that respect there can be no possible dispute. I contend that the appointment of judges is part of the constitution, maintenance and organization of courts of justice, and under that section that right belongs to the province.

It has been said that, despite the provision to which I have referred, there are other sections of the act which apparently give authority to the federal Parliament. If I may, I shall proceed with matters in the order in which I have arranged them, and return to that point.

I now pass on to section 91 which assigns certain powers to the federal authority. Paragraph 27 of that section contains these words:

> The Criminal Law, except the Constitution of Courts of Criminal Jurisdiction, but including the Procedure in Criminal Matters.

I suggest, honourable senators, these words are so precise and particular that there can be no doubt that this is an exception to the general rule under paragraph 14 of section 92 giving the residual, or the general powers, to the provinces to constitute, organize and maintain courts.

I should now call your attention, honourable senators, to those six sections under the heading "VII—Judicature", namely sections 96 to 101 inclusive. They clearly indicate to me that they are only particular exceptions to the general rule assigning to the exclusive jurisdiction of the provinces the constitution, organization and maintenance of superior courts in the provinces.

Being exceptions, those articles should be construed and interpreted restrictively.

Section 96 provides that:

> The Governor General shall appoint the Judges of the Superior, District, and County Courts in each Province, except those of the Courts of Probate in Nova Scotia and New Brunswick.

While a general direction of the law can be applied generally, here we have our exception to the general rule respecting the assignment to the provinces exclusively of the legislative power to organize and maintain provincial superior courts. But the exception is restricted to the appointment of judges.

The next section of interest to us on this occasion is section 99, which is the subject-matter of the resolution now before us. It reads:

> The Judges of the Superior Courts shall hold Office during good Behaviour, but shall be removable by the Governor General on Address of the Senate and House of Commons.

It does not say that tenure of office during good behaviour means appointment for life. Some of my statements may cause surprise, but I shall explain later. The text of the act says that judges "shall hold office during good behaviour". It has been stated, and it is a matter for discussion, that such an appointment may not be properly regarded as a permanent appointment.

Hon. Mr. Hugessen: May I interrupt my honourable friend? Might we take it that good behaviour ceases at the age of 75 years, and then we could reconcile the two?

Hon. Mr. Monette: Good behaviour may cease at 75 or 80, or even at 55 years. If a judge ceases to have good behaviour at the age of 55 or 65 years, can it be said that he

is still carrying on under his appointment? I submit he is not. If we are to interpret that according to the text, it means that the moment a judge does not maintain good behaviour he is no longer justified in holding the appointment. Then, what is the power that can take that appointment away? If no other remedy is given, then the Government could cause an investigation to be made to discover if such judge is maintaining good behaviour; and if the investigation proves that he is not, the Government of the day could make a decision on the facts and declare that such person is no longer a judge.

Section 99 goes on:

> ... but shall be removable by the Governor General on address of the Senate and House of Commons.

Here it is provided that judges can be removed on an address. But shall they be removed for lack of good behaviour only, or does that mean that any judge could be removed on an address for any reason? Do not fail, honourable senators, to read that again. It says that the judges of the superior courts shall hold office during good behaviour, but shall be removable by the Governor General on address of the Senate and House of Commons. This must mean an addition to the case of good behaviour. I am taking the words strictly, and that section could be taken to mean that although they are holding their office and maintaining good behaviour they are subject to being removed by the process indicated in that section. I am not saying we should take that view; I am just indicating the doubts that exist in the sections of the act.

Section 100 speaks of salaries, allowances and pensions of the judges which are to be fixed by the federal Parliament. The resolution before us does not deal with that. It is sufficient to remark, as was remarked before, that when we come to fixing pensions of judges who are retired before their death, then it will be for Parliament to consider what pensions they are entitled to. Indeed, Parliament has passed the Judges Act, and in that act we find what is the allowance or pension that is to be given to judges when they are retired.

On that I wish to conclude and submit that those sections 96 to 101 do not make a clear exception to the fundamental rule of class 14 of section 92, which gives the provinces exclusive jurisdiction as to the constitution of courts, the maintenance of them and the seeing to it that they are well organized and able to proceed with their task.

Another point is as to whether there is a contract. It was argued on both sides that there is a contract, and that there is not a contract. The last speaker on that point very eloquently and clearly contended that it is not only the written contract that we should consider. I agree that there may be a contract without any writing, and, happily, I do not remember having heard any senator saying that there should be a written contract. I agree that if there were all the elements of what we call a contract, or a final understanding—even an oral one—that would be sufficient for discussing the question.

But, is this a contract? I admit that in the circumstances of the appointment of judges there are some elements that pertain to a contract, but not all the elements. A contract is an understanding arrived at between parties on a number of topics on which all the parties completely agree. Therefore, there should be full agreement between the parties to the contract, and as to all the points mentioned or involved in the contract.

Hon. Mr. Roebuck: May I ask a question? Could a judge sue for his salary? Could a judge, if he were not paid for some reason or other, take action for the recovery of his salary?

Hon. Mr. Monette: That is an important question. If the honourable senator does not mind I will deal with it in the process of my speech. If I appear to forget it, I hope he will remind me.

I would first like to enunciate the basis of my argument. A contract is some agreement between two or more parties who all agree consciously on all the points that there are in the contract. With respect to the appointment of a judge there is not what I would call an invitation, but there is a command issued by the state which is represented by the authority of the Government. A command is given to a man in the community to come, and that man accepts. He can refuse, but it is a command. It is a command coming from the high authority of the state to come and fulfil a function created by the public legislation of the state. It is not a contract of hiring. Are we suggesting that it is a mere contract of hiring a man, or an employee? Is a judge an employee? When he is appointed, and if he wants to accept the appointment, he is not at liberty to discuss terms and conditions.

First of all, judges are appointed under sections 96 and 99, and they are appointed not by Parliament but by the Governor in Council. It is the Governor in Council who appoints the judges of the superior court of any province. The Governor in Council is the authority, but is he the authority to give the judge instructions as to the way he should execute his duties? Not at all. Has the Governor in Council the authority to tell the judge what

he has to do? Not at all. He appoints him to fulfil a function in an institution of public order which is created by the province under class 14 of section 92, not by the federal authority.

Hon. Mr. Roebuck: May I ask again: Has Parliament the right to tell him what to do?

Hon. Mr. Monette: No; Parliament has a right to remove him for reasons given in the Constitution. He is not dependent on any instructions from either of the houses of Parliament, or the Government, but if he fails to maintain good behaviour he is subject to the remedies provided for in the Constitution. He is still the master of the extent of his work and the way he does it, under the laws of the province in which he is appointed. There are provincial laws under and according to which judges exercise their functions, but the provincial Government is not a party to any so-called contract for the appointment of a judge.

I do not intend to delay the house at this time, but I would point out that a judge is not an employee. He is not a contractual party with the Government, but he is one who has been chosen by the Government alone. He may have endeavoured to seek appointment, but it is the Government alone which appoints. The terms of employment are not discussed but are settled by public law in both the federal and provincial jurisdictions.

Like others who have spoken, I do not believe there is any contract here and I would advise honourable senators not to minimize the functions of our judges and reduce their status to that of employees or to that of co-contracting parties. Judges are high officers, appointed to important positions in the administration of justice in this country.

As an illustration I would refer to my own appointment to the Senate. Before doing so I would assure my honourable colleagues that I at no time sought appointment to this house. As you all know, sometimes it happens that before a person is appointed to the Senate he has been in conversation, either directly or indirectly, with some minister. These conversations sometimes occur but there is never a complete understanding on the appointment. The expectant person remains in the waiting until he learns that he has been given the command. In any event, such conversations do not alter the fact that when a man is summoned to the Senate it is a command.

I never hoped, even after the success of my party in the second last general election, to be appointed to this august assembly. As a matter of fact, I always felt the Government would rather appoint people for their present usefulness rather than for anything they may have tried to do in the past. In this I am sincere. Around the time of my appointment I had gone into the woods for a long holiday, some 24 miles beyond normal means of communication. The newspapers had mentioned my name along with many others as being prospective nominees for appointment to the Senate, and my wife was aware of this. But I was not hopeful. While I was in the forest my wife received a communication requesting my presence in Ottawa. She endeavoured to get in touch with me, but to no avail. She was then requested to see if someone could possibly find me so that I could be in Ottawa the following day. My wife understood the urgency of the message and finally was able to communicate with me, and as a result I came to Ottawa the next day, the very day Parliament opened, and was sworn in as a senator. There had been no preliminary discussions and certainly no contractual understanding. I was simply summoned by command.

In dealing with the matter now before the Senate, the so-called sanctity of a contract should not, in my opinion, enter into the discussion. Quite properly the honourable senator from Inkerman (Hon. Mr. Huggessen) has explained, as other honourable senators have done, that, purely on a basis of fair play, there should be some understanding under which serving judges who are to be retired will be compensated. There should be some understanding so that they would not be put out of office without sufficient notification and without adequate compensation.

Hon. Mr. Macdonald: Such as the Government of 1930 did.

Hon. Mr. Monette: I suppose so, yes. I have not had time to review all the issues involved; I am merely speaking my mind and saying that we should be fair to the serving judges who are to be retired. At the same time I think it is the considered opinion of each province that the retirement age of judges should be fixed at 75 years. In order to accomplish this we have to pass a law. Then it becomes a question of whether such an amendment to our Constitution rightfully lies in the hands of the federal authority alone or in the hands of the federal and provincial authorities together, or whether it remains in the hands of the imperial Parliament at Westminster. Is not all this sufficient for us to recognize that there are doubts about these questions? Is it not sufficient to mention, as many have done, that in the case of doubt as to the respective meanings of sections 92 (14), 96 and 99 of the British North America Act, section 92 should prevail? Is it not enough to say that we have to extend in some way the meaning of the words used in those exceptions created by sections 96

to 99 inclusive, if we want to conclude that we can by-pass the provinces in trying to amend our Constitution? I do not feel that way.

I agree that the Supreme Court of Canada would have authority to decide this question in law. But would it do so without causing the provinces to be impleaded? Would it do so if it felt as we feel that the provinces have an interest or clear rights? I maintain they have these rights and can say, "We want these courts to be maintained and we consider the appointment and age of judges as being the most essential part in maintaining the courts."

The provinces have the right to a voice in this matter and the Government of the day has felt they would be deprived of this right unless it took the action that is contemplated in this resolution. I do not quarrel with honourable senators because of the stand they have taken in this matter, and certainly we should never venture to make amendments that might later be declared to be unsound. But we should not venture to ignore the provinces in seeking an amendment to our constitution, and I think the Minister of Justice has acted properly in framing this resolution as it exists. I feel it is a good one. I feel that although it was opposed in some ways in the Senate, the lack of partisanship shown all the way along in the debate by all senators here justifies us in hoping that this resolution will be adopted.

Hon. Mr. Brunt: Hear, hear. Question.

The Hon. the Speaker: It has been moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Haig, that an humble address—

Hon. Mr. Macdonald: Dispense.

The Hon. the Speaker: In amendment, it is moved by the Honourable Senator Croll, seconded by the Honourable Senator Power, that the motion be further amended in the proposed section 99, as follows:

That the words "district and county" be deleted from line 2 of subsection (1), and the words "district or county" be deleted from line 1 of subsection (2).

Is it your pleasure to adopt the amendment?

Hon. Mr. Aseltine: No.

Hon. Mr. Brunt: Carried.

Some Hon. Senators: Aye.

Amendment agreed to.

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

Hon. Mr. Brunt: As amended, carried.

Some Hon. Senators: On division.

Motion, as amended, agreed to, on division.

CANADA'S CENTENNIAL

ORDER STANDS

On the Order:

Resuming the postponed debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to Canada's Centennial Year 1967, and suggesting that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future.—(Honourable Senator Crerar, P.C.).

Hon. Mr. Crerar: Honourable senators, I do not propose to speak to this inquiry. I have to go home tomorrow evening. I do not know what procedure should be followed now in regard to this order, but if the Clerk of the house can conveniently put my speech aside for the time being, I shall gladly accept his action.

Hon. Mr. Macdonald: Do I take it that the honourable senator from Churchill (Hon. Mr. Crerar) does not intend to speak to the inquiry?

Hon. Mr. Crerar: That is right.

Hon. Mr. Macdonald: Then I move adjournment of the debate.

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

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, I wish to make a statement with regard to the business for tomorrow. Owing to the fact that we have dealt with everything on the Order Paper except items No. 4 and 5, I would like the first order for tomorrow to be the second reading of the Department of Forestry Bill, after that the second reading of the bill to amend the Judges Act. Is that agreeable?

Hon. Mr. Croll: Agreeable.

Hon. Mr. Macdonald: Agreed.

Hon. Mr. Bouffard: Is it intended that the Judges Bill should go to committee after it has received second reading?

Hon. Mr. Aseltine: We have been sending most of the bills to committee. I do not think there is any objection to that procedure.

Hon. Mr. Macdonald: I might say it is not likely that the Judges Act will be proceeded with until late in the afternoon, and in all likelihood I shall adjourn the debate on second reading, or someone else probably will do so.

The Hon. the Speaker: Which means that it would not go to committee—

Hon. Mr. Macdonald: It would not go to committee tomorrow; but after that I will insist that the bill go to committee. I have a few suggestions to make, Mr. Speaker.

Hon. Mr. Aseltine: Would you be willing to proceed with your speech on Friday?

Hon. Mr. Croll: No!

Hon. Mr. Macdonald: It will be impossible for me to be here on Friday. As a matter of fact, I have an engagement in Hamilton tomorrow night which I must keep.

Hon. Mr. Aseltine: I wish to get the Government legislation advanced as far as possible, as I have heard rumours that prorogation might take place about the end of next week. I do not want to be behind with the legislation.

Hon. Mr. Macdonald: You will catch up quickly.

Hon. Mr. Aseltine: We shall proceed tomorrow, then, with the Department of Forestry Bill, and then commence the debate on the Judges Bill. I do not think it will be necessary to sit this evening.

The Senate adjourned until tomorrow at 3 p.m.

799551-1—67½

APPENDIX

(*See p. 1038*)

REPORT OF SPECIAL COMMITTEE ON LAND USE

Wednesday, July 13, 1960

The Special Committee of the Senate on Land Use in Canada make their second report as follows:—

1. ORDER OF REFERENCE

The following resolution was adopted on February 11, 1960, by the Senate:—

That a Special Committee of the Senate be appointed to consider and report on land use in Canada and what should be done to ensure that our land resources are most effectively utilized for the benefit of the Canadian economy and the Canadian people and, in particular, to increase both agricultural production and the income of those engaged in it;

That the committee be composed of the Honourable Senators Barbour, Basha, Bois, Boucher, Bradette, Buchanan, Cameron, Crerar, Emerson, Gladstone, Golding, Higgins, Horner, Inman, Léger, Leonard, MacDonald, McDonald, McGrand, Méthot, Molson, Pearson, Power, Smith (Kamloops), Stambaugh, Taylor (Norfolk), Taylor (Westmorland), Turgeon, Vaillancourt, Wall and White;

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

That the committee have power to send for persons, papers and records, to sit during sittings and adjournments of the Senate, and to report from time to time;

That the evidence taken on the subject during the four preceding sessions be referred to the committee.

A steering committee was appointed as follows:—

The Honourable Senators Pearson, Chairman; Bois, Deputy Chairman; Basha, Cameron, Inman, McDonald, Smith (Kamloops), Taylor (Norfolk), Taylor (Westmorland) and Wall.

Following the work of the inquiry at the last session in which the focus was directed toward the problem of the small uneconomic farm unit and especially with the social consequences thereon, the committee continued to confine its attention to ways and means of helping this segment of the economy in Canada. The committee does not intend to restate its findings relative to the small farm problem in Canada but wishes to refer you to its report on July 8, 1959 for a full account. The views of the committee in this complex section of land use under its term of reference are brought together in this report. The submission of a final report of the committee is planned during the next session when the many briefs on the broader areas of land use and some other related aspects will be explored to round out the full scope of the terms of reference.

One of the recommendations in the last report of the committee (Printed Proceedings No. 12, July 8, 1959) resulted in the sending of a delegation by the Canada Department of Agriculture to the United States "to study and report on the Rural Development Program" in that country. The delegation consisted of Dr. J. F. Booth, A. E. Barrett, S. F. Shields and R. A. Stutt, a group of highly qualified men.

The study was made in the fall of 1959 and the delegation reported at the first and second meeting of the committee of this session (Printed Proceedings No. 1 and 2, March 3 and 10, 1960). The report is very comprehensive and ably drawn up. It has been praised by persons in the United States concerned with rural development as one of the fullest and most objective studies of the program. To all senators who have an interest in land, and people in rural areas, be it agriculture or forestry, this report is recommended for most serious contemplation.

The committee then decided, with this background of information dealing with the operation of the United States Rural Development Program, to make a brief inquiry into some of the comparable fields of activity in Canada whether undertaken by federal, provincial or local governments, public bodies or private citizen groups. These fields were industry and labour, forestry, recreation and tourist trade, education, leadership, public problems as well as agriculture. Some of this work was presented at previous sessions. The information at hand enabled the committee to get a brief but broad picture of present programs and sources of help to improve conditions in rural areas. This was particularly covered in the case of activities under the direction of various federal departments. The same procedure used in previous sessions of the committee was adopted and witnesses were invited to describe activities of their respective department or agency.

In addition to the information presented by the delegation of the Canada Department of Agriculture, two experts in the Rural Development Program in the United States appeared before the committee on March 31, 1960 (see Printed Proceedings No. 5). These men were Paul V. Kepner, Deputy Administrator, Federal Extension Service, United

States Department of Agriculture, Washington, D.C., and Sherman Weiss, Northern Area Resources Development Specialist, Hayward, Wisconsin. They corroborated the analysis made by the Canadian delegation and added further explanation and personal experiences on the operation and accomplishments of the program.

One important and final link in the agenda of the committee for this session was not completed. It was planned to bring representatives of the extension services in each province under the Agriculture or Education Departments of the provincial Government or the universities to Ottawa to describe their extension programs, problems, and plans for improvement and expansion; also to obtain their views as to the appropriateness of an approach similar to that taken under the Rural Development Program in the United States. This action was not carried out, however, at this time.

A total of nine meetings were held at which 22 witnesses were heard. These witnesses were supported by 11 other persons at six of these different meetings. A total of 236 pages of evidence was presented to the committee.

THE RURAL DEVELOPMENT APPROACH TO IMPROVEMENT OF CONDITIONS IN LOW-INCOME AREAS

The program is a relatively recent attempt to carry out a national policy of farm, industry and community development in disadvantaged rural areas. Through the program the national administration is able to increase the usefulness of all the many regular technical and financial assistance programs. This is accomplished under the auspices of local area committees and in which the local people are organized under local leadership and contribute time, resources and talents. The emphasis of this particular approach is on self-help with aid from federal and state Governments and private bodies. Common problems are solved by all elements of society in a community uniting in a fact-finding analysis and action-type process. In this process, inventories and studies are made of the resources of the community, the results of the studies are brought forward and discussed by all concerned, plans are formulated and considered, and action programs are undertaken. In all these stages, federal and state Governments and private bodies act in a supporting role.

Two fundamental facts are basic to the concept of rural development in the United States. While it is possible to expect some increase in farm income and to improve living conditions through developments with agriculture, it is pretty well accepted that the best opportunities for area economic development are found in fields outside the agricultural economy. This follows partly from the limitation of agricultural resources in the counties chosen for rural development but mainly from the higher economic activity and employment possibilities, and income-generating effect of other resources development. Secondly, due to increased output of agricultural products per worker resulting from technological and scientific advances less people are needed on farms. This makes the need for development of gainful employment opportunities in other fields imperative if serious underemployment conditions are to be avoided. These two conditions are also applicable to the situation which prevails in Canada and the extent to which farm families are able to supplement their incomes from non-farm sources depends largely upon the availability of job opportunities.

The responsibility for rural development in an area rests with local people therein although the selection of the pilot counties was made by state departments. This was done to focus the efforts of the federal and state Governments and others on the dire need for improvement in these counties and to get the program underway. All the research, technical, advisory help and financial assistance under the regular programs were directed to these areas. In this process the key link is the co-operative federal state extension service. The extension agents are in a position to supply the state committee services that help to lay the groundwork for discussion, help implement committee decisions and improve co-ordination among the various agencies and organizations.

As previously mentioned the principal avenue to facilitate the program is the formation of county or area development committees. These are really planning groups of local citizens within the local communities such as farmers, businessmen, bankers, county officials, professional men, church leaders, educationalists, youth and so on. In essence, these committees are not too much different from any community charitable and promotional organizations except that they are co-ordinated with federal and state organizations and agencies in the furtherance of development and assistance programs. They serve to direct attention to basic economic and social needs, to co-ordinate and unite the efforts and objectives of all elements in society and to bring the rural and urban sections of the population together as a team.

Local chambers of commerce and other groups of this type in the United States often perform the tasks of county and area committees, at least the duties of specific

subcommittees, such as industrial development, tourist trade, marketing and so on. Where these exist they are usually utilized within the general framework of the local rural development organization.

A similar position was pointed out in the brief of the Canadian Chamber of Commerce (Printed Proceedings No. 6) with regard to the work of the local chambers in Canada. It was indicated that 54 per cent of the local chambers in communities in the 5,000-or-less population category currently had industrial development committees; 48 per cent had tourist committees; and 40 per cent had agricultural committees. Many of the chambers and boards have developed the area of rural-urban co-operation. The Canadian Chamber of Commerce believes that "the resourcefulness of individual freedom and individual enterprise is the true way of ensuring the highest possible standard of living for the whole Canadian people." The report of the Canadian Chamber of Commerce concludes with a statement of support in the concept of rural development in these gratifying remarks.

> ... when the problems of the rural community come to be better defined, the Chamber of Commerce movement, both at the national and particularly at the local level, will be ready and willing to make a contribution to the solution of these problems. We believe strongly that the individual should always be given the opportunity to help himself and that by joining with others in his community, a considerable contribution can be made, with the concomitance of greater maturity, greater self reliance and greater initiative.

A resource development program along the lines of the Rural Development Program would be difficult to achieve, if not nigh impossible in the United States, without the widespread and extensive means of reaching the people through the co-operative federal-state extension service. This service is the third phase of a well-conceived and developed federal-state arrangement to provide the people in the United States with useful information on subjects connected with agriculture. It joins the educational program developed through the state experimental stations to provide an outstanding degree of integration and co-operation of assistance to people in rural areas. These are financed on a joint basis with a very large share provided by the federal Government. In the case of the extension service the local counties contribute part of the costs along with the federal and state Governments. At the present time throughout the entire country the federal Government contributes about 38 per cent of the cost of extension and the balance is shared between the state and the county on a three-to-two basis.

This arrangement assures that the people are provided with the latest findings and services of the federal and state Governments. The account found in the report of the delegation to the committee (Printed Proceedings No. 1) gives an indication of the work of the county extension agents to matters of organization, encouragement to local participation, passing along of research information, providing of secretarial and other administrative support. Since the launching of the Rural Development Program additional funds have been provided by the federal Government so that rural development agents can be employed to facilitate the expanded duties of the county extension offices. While the main role of an extension agent is to provide leadership, technical counsel and guidance, the rural development agent is in a little different position in that he represents all the federal agencies that have a contribution to make to the program.

The experience in the United States shows that the subcommittees of the main county or area development committees are most effective when formed to deal with specific matters. They develop more interest and involve more people who are directly concerned with the projects. This creates a real personal feeling and desire to achieve the objective. The various types of subcommittees vary with the problems of the area and the desire and decision of the local people to do something to alleviate the conditions. In general they deal with specific tasks in agriculture, industry development and promotion, tourist trade, education, health and welfare and community facilities and many other and varied fields. The report of the delegation which outlines the United States Rural Development Program shows that all elements of the population in the counties with unfavourable physical or declining resources have been able to find a common cause and reason for improvement, and the businessmen, bankers and professional people have combined with farmers in a broad attack on the problem. Mr. Paul V. Kepner, Deputy Administrator of the Federal Extension Service, United States Department of Agriculture, summed up this important attainment in these words:

> Perhaps the most fundamental, although somewhat less tangible than other more specific accomplishments, is the development of awareness on the part of the local people that if they collectively go about appraising their local problems and devising remedial measures, they can do much to improve their welfare. This has been accompanied by a dedication to do whatever is necessary to attain their own determined objectives.

The report lists projects to encourage small business development; the expansion of forestry operations; the creation of additional resort areas, parks and recreational facilities, the building of highways, access roads and

improved waterways; as well as projects to improve agriculture. All of these and many others have created work in the community, provided income from the sale of products and use of facilities by people outside the immediate communities, and enabled a higher level of living for the residents.

Tangible evidence of progress and accomplishments indicated by Mr. Kepner was as follows:

(a) the establishment of new small industries or expansion of already existing ones, thus providing new employment opportunities and increased incomes not only to those directly employed but also to support industries and other activities and services in the area.

(b) industrial training courses have been started in some rural high schools better to prepare the youth of the area for employment outside of agriculture. This is not in replacement of vocational training in agriculture, but in addition thereto. Some out-of-school training courses have been provided for adults to equip them to obtain industrial type employment, either locally or elsewhere, on either a part-time or full-time basis. Definite programs have been undertaken to encourage youth to continue their formal education with gratifying results.

(c) recreation and tourist facilities and services have been improved in several areas, not only for the benefit of local residents, but to attract a greater percentage of the growing tourist business to several of these areas which have a wealth of natural attractions for tourists.

(d) needed agricultural marketing and service facilities have been established, thus permitting more effective and economical handling of locally produced agriculture commodities. This has permitted the introduction of some specialty crops in some areas and expansion of commercial production of certain standard crops in others.

(e) reforestation and improved forestry management has been very extensively developed in natural forestry areas, thus improving the income from this important crop.

(f) the Extension Service and other agencies have intensified their efforts to be of assistance to farmers on small units to the end that they are being enabled to make better use of such agricultural resources as they have available to them or can acquire. Likewise, residents of these areas are tending to make greater use of such assistance than previously.

(g) agricultural programs of the various agencies of the department have been modified better to serve the long-time needs of these particular areas and small farmers.

(h) The Department of Labor—and this is a very substantial development—is exploring ways in which their labour placement and counselling service can be adjusted to be of greater service to the underemployed people of these areas, and in turn to the nation.

(i) The Small Business Administration is doing an effective job in providing financial, consultative, and training services to small industries in rural areas, thereby helping to provide additional employment opportunities and increased incomes. Probably of equal significance, however, was the technical assistance and counsel provided small businessmen and development groups in these rural areas.

(j) a noticeable tendency is evident to make more extensive use of existing public facilities and services, such as public health facilities and services and the Social Security Program, which prior to the inauguration of the Rural Development effort were not utilized by a large percentage of the residents of these areas.

The United States experience indicates clearly that the services and aids provided under the regular government programs are more effectively applied in counties and areas when rural development committees exist. These are noted for a wide range of things such as conservation; co-operatives; credit; employment assistance; extension education; financial aid and social services for people who cannot support themselves; forestry; agriculture; health and sanitation; social security, Indian programs; industry development; marketing improvements research; vocational training; and water resources development.

The process under the Rural Development Program is (1) one of local people of an area recognizing a need, (2) focus of local interest upon the larger concept of a total community, which includes all aspects of the economy as well as agriculture, and (3) involvement of every agency and person in accomplishment of the objective.

The organizational set-up at the national level is of a loose nature and the main reason for this seems to be to avoid a policy of direction from the top and to assure the availability of all technical and financial features of the programs in all the departments. It also provides an atmosphere of co-operation for various federal and state people at local levels. This is an extremely interesting concept for rural development where the responsibility for the different duties of government are divided between federal, provincial and local bodies. Without this concept the tendency would be to work separately and probably in isolation.

In summary, it might be stated that three main approaches are used under the program to improve conditions in low-income areas of the United States. First, economic and social betterment is being sought by emphasis on total area development. The range of activities goes much beyond the traditional framework of agricultural policies, programs and extension services. As a matter of fact in the low-income areas major emphasis is now largely directed to non-agricultural fields such as forestry, industry and labour, tourism and recreation, education, public problems and leadership. Secondly, the services of government departments and agencies have been co-ordinated, redirected, refashioned and focussed on rural development through direct lines of communications of state and local committees so as to hit at the places of need. From an administrative point of view this has been one of the biggest benefits of the Rural Development Program. Under this new arrangement through contacts with members of the whole community, the extension service now also serves the wider needs of other non-agricultural and development problems of the community. The placing of additional rural development agents in the pilot counties has allowed the expansion of these services by the motivation of local effort through the various subcommittees. Thirdly, a basic tenet of the Rural Development Program is the belief that local people can do things to help themselves if they are provided with motivation, leadership and financial aid. This is being done under the guidance of the federal-state extension service and the help of many community-minded leaders. A principal advantage of uniting local people for team effort is the harmonization of the needs in the community with the capabilities of the people and other resources.

The study of the Rural Development Program in the United States indicates that a wide variety of projects are underway in low-income areas with the purpose of utilizing the land resource to best advantage, improving the income levels of those who wish to remain on the farm, a widening of the economic base and creation of additional job and income opportunities, and to assist and prepare a large section of the people on inadequate farm units for the adjustment to non-farm occupations. In the short time the program has been underway it appears that much has been accomplished to improve the welfare of the people.

The Honourable Alvin E. Hamilton, Minister, Department of Northern Affairs and National Resources, outlined for the committee plans for a program of papers and discussions at a "Resources for Tomorrow" Conference relative to land and water use and conservation in Canada (Printed Proceedings No. 4). The purpose of this conference is to set out the principles and machinery at hand by which appropriate policies might be established to guide and carry out a program of development of all renewable resources. The minister pointed out that there was a definite connection between the work of this committee and the objectives of the "Resources for Tomorrow" Conference. The connection arises in part from the fact that agriculture and land use will receive extensive consideration at the conference and, in this, the reports of the investigations of the Special Committee of the Senate on Land Use in Canada will play a significant part.

The particular circumstances of the small farm problems of a large section of Quebec, particularly the Eastern Townships and the Gaspé Peninsula, were described to the committee at this session by Dr. J. R. Pelletier, Superintendent of the Experimental Farm at Ste. Anne de la Pocatière. The importance of forestry as compared with agriculture from a land use standpoint was noted as well as the lack of industrial development in this section of the province. Stress was laid on the need for reforestation and improved forest management and cutting practices; agricultural cropping and cultural practices including rotations; and the joint development of forestry and agriculture on individual farms, as income from either use alone is usually insufficient for family needs.

With regard to the possible establishment of a rural development program in Canada, the observations of two federal departments which appeared before the committee are pertinent and reassuring. Part of the brief of the Canada Department of Labour (Printed Proceedings No. 6) dealt with the problems of people in low-income areas and briefly outlined a procedure which is similar to the one used in the United States Rural Development Program. In this connection Dr. Haythorne said:

> In considering resources utilization in an area, a critical and full examination of what there is to work with in an area is essential. An active involvement of the people directly concerned should also be secured. There are important prerequisites before it can be known whether people should be moved elsewhere or not. It is a matter essentially of examining the basic physical and human resources and the prevailing conditions in these rural areas where low incomes prevail across the country, and then developing co-ordinated plans, where it is sound to do so, to help these areas through reorganization of their farms, through the development of other industries, through training and other programs. With such an approach, it might be said with some confidence, that it is sensible for a positive program of redevelopment to take place in this area, or that it would be advisable in the interests of all concerned to have fewer human resources devoted to agriculture and that steps should be taken—on a practical

basis and with active co-operation of all the people concerned—to have these human resources shifted elsewhere.

It was pointed out in the brief of the Canada Department of Trade and Commerce that "the major crux of the study (of the Senate committee) lies in the agricultural field and the opportunities open to younger people to engage in agriculture and in this connection we are faced with economic trends in agriculture, which are moving more to urban rather than rural development". The contributions of the Dominion Bureau of Statistics, the Economics Branch, the Small Business Branch and the Industrial Development Branch of the Department of Trade and Commerce to a rural development program in Canada were noted. It was indicated that the initiative in co-ordination of a rural development program would probably lie in the field of agriculture and the role of the Department of Trade and Commerce in any plans would be to assist more efficiently industry and commerce throughout Canada.

RECOMMENDATIONS

Whereas there is a need of elimination of problem areas in Canada where farm businesses are small, productivity low and incomes inadequate for family requirements:—

The committee recommends,

(1) (a) That further research be undertaken to define more clearly the nature of the problem in low-income areas and to pinpoint their location.

(b) That a Federal-Provincial Rural Development Program be instituted to deal with areas of greatest need.

(2) That in implementing such a program the provincial Governments participate on a co-operative basis; such co-operation to include the principle that both provincial and local authorities assume major responsibility for the identification of problems and needs of local areas and the initiation, planning and development of appropriate action programs.

(3) That the Federal and Provincial Governments co-operate in assisting any such program with financial and technical assistance, said financial assistance to be provided through a cost-sharing agreement.

(4) That the Federal and Provincial Governments provide for a larger farm-management service and expansion of educational facilities with particular emphasis on leadership to ensure a prompt dissemination of the research results to those farmers who will be most benefited therefrom.

(5) That there should be some form of co-ordination of Federal Departments of Agriculture; Northern Affairs and National Resources; Health and Welfare; Labour; Trade and Commerce; Fisheries; Forestry; and Citizenship and Immigration with regard to activities under a Rural Development Program.

(6) That the Special Committee of the Senate on Land Use be reconvened at next session of Parliament to study water conservation, drainage, forestry, encroachment of cities and industrial areas on agricultural lands and also invite the Extension Services of the provinces to describe their Extension Programs, problems and plans for an improvement and expansion; also obtain their views as to the appropriateness of an approach similar to that taken under the Rural Development Program in the United States. All which is respectfully submitted.

ARTHUR M. PEARSON,
Chairman.

APPENDIX

List of witnesses appearing before the Special Committee of the Senate on Land Use in Canada.

THIRD SESSION, 24th PARLIAMENT, 1960

Printed Proceedings No. 1

Canada Department of Agriculture

Mr. S. C. Barry, Deputy Minister

Dr. J. F. Booth, Director, Economics Division

Mr. A. E. Barrett, Assistant to the Director General, Research Branch

Mr. R. A. Stutt, Head, Land Economics Unit, Economics Division

Printed Proceedings No. 2

Canada Department of Agriculture

Dr. J. F. Booth, Director, Economics Division.

Mr. A. E. Barrett, Assistant to the Director General, Research Branch

Mr. R. A. Stutt, Head, Land Economics Unit, Economics Division

Mr. S. F. Shields, Regional Director, Prairie Farm Rehabilitation Administration

Printed Proceedings No. 3

Waterloo University College, Waterloo, Ontario

Professor Ralph R. Krueger, Ph.D., Chairman, Department of Geography

Printed Proceedings No. 4

Federal Department of Northern Affairs and National Resources

The Honourable Alvin E. Hamilton, P.C., Minister

Mr. E. A. Cote, Assistant Deputy Minister

79955-1—68

Printed Proceedings No. 5

Co-operative Extension Service, United States

Mr. Paul V. Kepner, Deputy Administrator, Federal Extension Service, United States Department of Agriculture, Washington, D.C.

Mr. Sherman Weiss, Northern Area Resources Development Specialist, Hayward, Wisconsin.

Printed Proceedings No. 6

The Canadian Chamber of Commerce

General R. Holley Keefler, Chairman, Executive Council

Mr. W. J. McNally, Manager, Policy Department

Mr. J. S. Whyte, Chairman, Agricultural Committee

Mr. R. F. Richardson, Manager, Organization Service Department

Federal Department of Labor

Dr. George V. Haythorne, Assistant Deputy Minister

Mr. Ross Ford, Director, Training Branch

Mr. William Thomson, Director of Employment Service, Unemployment Insurance Commission

Federal Department of Trade and Commerce

Mr. James A. Roberts, Deputy Minister

Mr. C. V. Parker, Director, Agriculture Division, Dominion Bureau of Statistics

Mr. Morgan Mahoney, Assistant Director, Small Business Branch

Mr. Basil Hayden, Director, Industrial Development Branch

Mr. A. D. Holmes, Director, Prices Division

Mr. V. J. Macklin, Director, Economics Branch

Printed Proceedings No. 7

Experimental Farm, Ste. Anne de la Pocatière, Quebec

Dr. J. R. Pelletier, D.Sc.

THE SENATE

Thursday, July 14, 1960

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

Prayers.

DOCUMENT TABLED

Hon. Mr. Aseltine tabled:

Report of Northern Canada Power Commission, including the Auditor General's report on the accounts of the commission, for the fiscal year ended March 31, 1960, pursuant to section 24 of the Northern Canada Power Commission Act, Chapter 196, as amended, and sections 85(3) and 87(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

PUBLIC SERVICE SUPERANNUATION BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-76, to amend the Public Service Superannuation Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

Hon. George S. White moved the third reading of the bill.

Hon. W. Ross Macdonald: May I ask the Leader of the Government (Hon. Mr. Aseltine) if this bill is likely to receive royal assent this afternoon? If that is possible, I feel that arrangements therefor should be made convenient to all concerned. I understand that if the bill is not assented to this afternoon a number of civil servants will be penalized by the delay. We have a splendid group of men and women working for the Civil Service. This superannuation arrangement has been agreed to, we have expedited the passing of the bill through this house, and I do trust the royal assent can be given this afternoon.

Hon. W. M. Aseltine: In reply to the honourable Leader of the Opposition (Hon. Mr. Macdonald), I wish to say that I have been trying since early this morning to arrange for royal assent at 5.45 this afternoon, but have not yet been able to complete arrangements. At the moment I cannot state definitely whether we shall have royal assent today or not, but I should know by 4 o'clock or thereabouts.

Hon. Mr. Macdonald: Then any delay is not, I take it, on the part of the Senate?

Hon. Mr. Aseltine: Oh, no. It is not the responsibility of the Senate at all. I have advised the Minister of Finance that his bill has received full attention, and I have also advised the people who usually arrange for royal assent. It cannot under any circumstances be blamed on the Senate if there is no royal assent today.

Hon. Mr. Macdonald: Thank you.

Motion agreed to and bill read third time and passed.

INTERNAL ECONOMY

NINTH REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's ninth report:

Your committee have examined the expenditures and revenues of the Senate for the fiscal year ending March 31, 1960, and have found them correct.

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

Hon. Mr. Brunt: Honourable senators, with leave of the Senate, I would like the report to be considered today, and I move that it be adopted. I might state that this is the usual report that is made to the Senate near the end of each session. The accounts were examined very closely by a subcommittee composed of the Honourable Senators Beaubien, Basha, Horner, Isnor and McLean and when the accounts were discussed today at a meeting of the Internal Economy Committee the Honourable Senator Isnor went over the various items. All his criticism was of a very constructive nature and the entire committee were quite satisfied with the accounts.

Hon. Jean-François Pouliot: Honourable senators, I desire to take this opportunity to praise the whole staff of the Senate, from the Clerk downward, and I include all the personnel—the Clerk Assistant, the Black Rod, stenographers, messengers, everybody. We are fortunate in having in the service of the Senate men and women who have a high sense of duty and who miss no opportunity to be useful to all of us. To some elder—if I may use that word—public servants who are in the employ of the Senate and are soon to be retired, I extend my praise. I have never missed an opportunity to do so because I have a profound admiration for them. They are always ready when we call them; they are gracious, and they do everything as it should be done. Among those who are

retiring soon, and about whom I must say a word, are Mr. Jennings, the head of the char staff, and Mr. Facto, of the char staff, who used to come here in the early morning hours to see that the offices were properly cleaned. I wonder if honourable senators know how the work is done. The charladies come in the morning and do their work, which is supervised by men like Mr. Facto, who come in at 6 o'clock in the morning and go around the offices to see if the work has been properly done. That gentleman and the others I have mentioned are praiseworthy, and it is a matter of justice to say publicly how highly we regard them and how deserving they are.

Report adopted.

TENTH REPORT

Hon. Mr. Brunt presented the committee's tenth report:

Your committee recommend that the usual supply of stationery, etc., which has been selected by your committee with due regard to usefulness and economy, for use of the senators in their rooms and desks in the Senate chamber, be supplied according to the lists approved by your committee and deposited with the Clerk of Stationery, and that the distribution be made in a way similar to that of the present session.

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

Hon. Mr. Brunt: Honourable senators, with leave of the Senate I would move that the report be adopted today. In support of the motion I would state that the matter of stationery and office supplies has been looked into by a subcommittee composed of the Honourable Senators Basha, Dessureault, Horner, McLean and Vien. The Honourable Senator Dessureault made a report to the Committee on Internal Economy and Contingent Accounts.

As I have heard no complaint about stationery supplies from any honourable senator during this session, I presume that all have been looked after in a proper manner.

Hon. Mr. Pouliot: Honourable senators, I rise again, to say that for a time after my coming to the Senate I had to complain about the manner in which the stationery was dealt with. Now I must say that it is being handled in a first-class way and I wish to pay a tribute to my honourable colleagues who are members of the Committee on Internal Economy and Contingent Accounts and of the subcommittee. They have realized that the needs of each one of us are different owing to the quantity of the correspondence that individual senators have. Here, again, I must compliment my honourable colleagues who look after that. They have done a very good job, and I am most satisfied, and I include in that compliment Mr. Lay, the Chief of the Stationery Branch.

When speaking on the previous report I forgot to mention a promotion that has been given to Mr. Martin, the carpenter. For a long time Mr. West had his shop in the office that I occupy now and which has been made quite comfortable. Mr. Martin worked for a long time under Mr. West, and he was qualified for the promotion that he got.

I understand also that Mr. Jennings will be replaced by a man who has served under him and who has done a very good job, and who is qualified to be the chief of that branch.

Today, honourable senators, being the 14th day of July, is a nice day to say the good things that we have to say about those with whom we live, and I include my honourable colleagues.

Report adopted.

ELEVENTH REPORT

Hon. Mr. Brunt presented the committee's eleventh report:

Your committee recommend that during the coming recess of Parliament the Honourable Senator Aseltine, Leader of the Government in the Senate, and two senators to be named by him from time to time, be authorized to act for and on behalf of the Senate in all matters relating to the internal economy of the Senate.

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

Hon. Mr. Brunt: Honourable senators, with leave of the Senate, I move that the report be adopted today. I believe it is the intention of the honourable Leader of the Government (Hon. Mr. Aseltine) to appoint one senator from each side of the house to serve with him while the Senate is not sitting so that housekeeping and other problems that may arise in connection with the Senate when it is not in session can be properly looked after.

Hon. Mr. Pouliot: Honourable senators, it is very dangerous to start giving names. I omitted to mention *Hansard*. Our *Hansard* is pretty good, and the work that is being done in that office is quite stupendous when there is taken into consideration the reporting of the countless divorce cases and the proceedings of other committees, et cetera. Very seldom do we have to mention an error for correction, and therefore: Praise to *Hansard*, too.

Report adopted.

TWELFTH REPORT

Hon. Mr. Brunt presented the committee's twelfth report:

Your committee recommend that Mrs. Agnes Jolly, retired charwoman, be granted a service gratuity of $87.50.

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

Hon. Mr. Brunt: Honourable senators, I move, with leave, that this report be considered and adopted today. For the information of the house I might state that Mrs. Agnes Jolly, a charwoman, retired on July 1 this year on account of ill health, and the gratuity which it is contemplated to pay to her is based on this formula: $2.50 for each year of sessional employment and $5 for each year of annual service. This amounts in all to $87.50.

Hon. Mr. Roebuck: Why did you not make it $100?

Hon. Mr. Brunt: Unfortunately, there is a formula which we have to follow, hence the gratuity amounts to only $87.50.

Report adopted.

[*Later:*]

Hon. Mr. Macdonald: I should like to direct a question to the Chairman of the Standing Committee on Internal Economy and Contingent Accounts (Hon. Mr. Brunt). I recall that we discussed other important matters in committee this morning, and one is of particular interest to the Senate staff. Does the honourable senator intend to report to the Senate on that matter?

Hon. Mr. Brunt: The point referred to by the honourable Leader of the Opposition (Hon. Mr. Macdonald) concerns increases in salaries for Senate employees in eleven different categories. The reports in connection with these increases will be rather lengthy and a bit on the technical side. We have not yet had an opportunity of preparing those reports, and when they are ready I shall want to make an intensive study of them. For that reason it is not proposed to present them until Tuesday of next week. I can assure all honourable senators that the delay in presenting these reports to the Senate will not in any way delay the date upon which the increases in salaries will become effective.

DEPARTMENT OF FORESTRY BILL

SECOND READING

Hon. Arthur M. Pearson moved the second reading of Bill C-82, respecting the Department of Forestry.

He said: Honourable senators, the purpose of this bill is the creation of a federal Department of Forestry. The new department will bring together the Forestry Branch of the Department of Northern Affairs and National Resources, which is responsible for general forest research, forest products research, and other matters; and the Forest Biology Division of the Research Branch, Department of Agriculture, which is responsible for research in forest entomology and forest pathology. A major reason for establishing the proposed new department is to bring together the research activities now conducted by these two departments.

There are not many people who realize the importance and size of our forest industries and the tremendous possibilities that exist for increasing still further the contributions they make to our economic well-being. I intend to present some figures which might help honourable senators to understand the need for this new department and also the importance of our forest industries.

In 1957 the net value of our forest products was $2,200 million, and of that production 65 per cent, or goods to the net value of $1,400 million, were exported. This represented 30 per cent of the total value of our domestic exports. In other words, almost one-third of all exports, including agricultural products, furs, fish, minerals and manufactured goods, was represented by products of the forest industries.

In regard to employment, work in the woods and in plants manufacturing wood products—sawmills, pulp and paper mills, and wood- and paper-using industries—is equivalent to 350,000 man-years annually. Approximately 230,000 people are employed on the manufacturing side, and jobs in the woods average about 120,000 annually. It is important to note, however, that the labour effort in the woods is in fact distributed among a far larger number of men, since many people find part-time employment in woods work. The opportunity for such seasonal part-time employment is especially valuable to many farm workers and others, such as workers on road construction whose alternative employment is also seasonal. I might say that the greatest part of the seasonal employment in the forest is in all the provinces except British Columbia, in which province there is almost continuous work in the forest.

Another point that might be interesting to honourable senators is the importance of forest products to the railroads. Annual carloadings of forest products approach 650,000 or about 17 per cent of the total carloadings in the country. I hope to be able to show

that there are very good prospects that carloadings will probably increase very substantially over the next 15 or 20 years.

The Royal Commission on Canada's Economic Prospects estimated that, during the period 1954-1980, the output of logs and sawn lumber in Canada would increase by about 50 per cent. It also estimated an increase of 92 per cent for rough pulpwood during the same period. Last September a committee called together in Rome, Italy, by the Food and Agriculture Organization of the United Nations studied the prospects for increasing world demand for paper and paper products. This very competent committee, made up of representatives of sixteen countries, came to the conclusion that the use of paper and paper products in the world would increase from 56 million metric tons in 1955 to 134 million metric tons in 1975. In the earlier years Canada supplied about 16 per cent of the world's needs for these products.

If she is to maintain her position she will have to produce and market 14 million metric tons by 1965—a 50 per cent increase—and 21 million metric tons by 1975—an increase of 123 per cent over the base year. This will mean, among other things, a very substantial increase in the quantities of wood that the forests will be called upon to supply, and it can be clearly seen that Canada, without any further delay, should take immediate action to improve forest management and protection, so that the increased drain on the forests can be maintained without causing forest devastation. With the help of proper farm management in the United States that country has shown a net increase of 3,486,000 cubic feet of forest growth every year.

It is felt that the Department of Forestry should be established now to improve the flow of new knowledge which can be obtained by research and which will be of benefit to provincial forest administrators and industrial forest operators, and also to give all possible assistance to industry and the provinces in other directions. And farm wood lots, at present a small part of the forest production, could, under proper supervision, become a very large asset to the country.

The United States has 786 million acres of forest area, while Canada has 1 billion 32 million acres, roughly 246 million more forest acres than the United States. In the United States there are 489 million acres classed as productive forest area, and on this basis it operates a $7 billion forest products industry. Against this, Canada has 634 milion acres of productive forest area—145 million acres more than the United States —and, as I said before, the products of this forest industry are valued at $2 billion 200 million per annum. Comparison of these figures indicates the tremendous possibilities for increasing our output and building a very much greater industry than Canada now supports.

The dominion Government at present employs only 92 forestry officers on general forest research, about 170 officers on forest entomology and forest pathology, and 59 officers on forest products research. By comparison, the latest figures from the United States indicate that its federal Forest Service employs 698 officers on general forest research, 164 on forest entomology and pathology, and 127 officers on forest products research. There does seem to be a strong connection between the much greater effort on forest research being made in the United States and the much more intensive use it is making of its forests as a source of new wealth.

The Minister for Northern Affairs and National Resources has drawn attention to the seriousness of annual forest fire losses in this country. Over the years the provinces, which carry the chief responsibility for fire protection, have made tremendous strides in improving their forest fire-fighting organizations and the techniques of fire control. Nevertheless, the records show that in spite of the efforts of federal and provincial forest authorities, the forestry profession, the Canadian Forestry Association, and others, to impress on the public the need for care with fire in the woods, there has been a most disturbing constancy in the number of fires occurring each year during the past two decades. About 20 per cent of all fires are caused by lightning and at present there is little we can do to control this danger, but the remaining 80 per cent of the fires are caused by people. It is evident that very great efforts must be made to increase public awareness of the danger from fire and, as will be seen from the bill, it will be a function of the new minister to co-operate with other agencies in bringing this serious matter to public attention.

It would be possible to elaborate at great length on the significance of forestry in our national economy and the need that exists for better co-ordination of the federal Government's own forestry activities and improvement in co-operation between the federal, provincial and industrial partners in forest management and protection. I believe, however, I have said enough to carry conviction that the creation of the proposed new Department of Forestry will have results of very great benefit to all parts of Canada, and will stimulate research and the application of research findings. Canada has the resources

of land and forest to maintain industries much larger than the present ones, and to maintain them in perpetuity. I therefore permit myself to hope that all honourable senators will feel able to support the bill which is now under consideration.

I would like to draw to the attention of honourable senators a series of charts which I have before me. Copies of these charts may be found in *Hansard* of the other place for July 11 last. Honourable senators may not be able to see chart 5, which I hold in my hand. It shows Canada's exports of wood, wood products and paper at roughly $1,400 million, while her imports of wood products are shown at only about $250 million. At the other extreme, exports of iron and products stand at about $700 million or $800 million in value, while imports stand at nearly $2 billion. On the other hand, chart 6 shows a very favourable balance of trade in wood and wood products of roughly $1,250 million, whereas the iron and steel industries, at the other end, show nothing but an unfavourable balance.

The bill is divided into three parts. Clauses 3 to 6 are in Part I. Clauses 3 and 4 have reference to the setting up of the department, and I think you will find they are self-explanatory.

Clause 5 states the duties, powers and functions of the minister extend to and include all matters over which the Parliament of Canada has jurisdiction relating to the forest resources of Canada—that refers to the dominion of Canada only and has no reference to the provinces.

Clause 6, subclause (1)(a) states:

> Subject to section 5, the minister
>
> (a) shall provide for the conduct of research relating to the protection, management and utilization of the forest resources of Canada . . .

That is obligatory. The Canada Forestry Act used the words "may provide".

The words "subject to section 5" were added in the other house as an amendment to the bill, so that the provisions of clause 5 would control clause 6. This was done so that the jurisdiction of the provinces would not be infringed upon.

Subclause (1)(b) states that, subject to section 5, the minister

> may undertake, promote or recommend measures for the encouragement of public co-operation in the protection and wise use of the forest resources of Canada.

I might say that this bill is based mostly on the Canada Forestry Act. The provisions of that act were used in drafting the bill.

Part II of the bill, headed "Forest Experimental Areas", comprises clauses 7 to 11. Clause 7 revises section 3 of the act, and drops the words "national forest".

Clause 8 is the same as section 5 of the act except for the addition of the words in line 7, namely:

> . . . and management, including the disposal of timber and other forest products . . .

Clause 9 of the bill was amended in the other place by prefacing the clause with the words, "Subject to section 7 . .". These words were added to protect provincial jurisdiction and prevent encroachment by the federal Government. Clause 9 adopts section 7 of the act, with the following exceptions. The words "national forest" have been dropped throughout the various paragraphs. In paragraph (d) the word "thereon" has been altered to read "therein". In paragraph (f), the words "in connection with" replace the word "for" in the act.

Clause 10 of the bill corresponds to section 9 of the act, with minor exceptions. The present section 9 reads:

> Every person who violates a regulation is guilty of an offence and is liable on summary conviction to a fine of not more than five hundred dollars or imprisonment for a term not exceeding six months or to both fine and imprisonment.

The words "a regulation" are changed to read "any regulation", and the words "a fine of not more than" are changed to read "a fine not exceeding".

Clause 11 contains the same provisions as section 10 of the act, without change.

Part III of the bill, headed "General," is new. It comprises clauses 12 to 18. These clauses are necessary in order to tie in the present set-up of the Department of Northern Affairs and National Resources and the Department of Agriculture with the new Department of Forestry.

Clause 12 requires the submission to Parliament of an annual report on the operation of the department.

Clause 15 adds "The Minister of Forestry" to the Salaries Act.

Clause 16 adds "Department of Forestry" to Schedule A of the Financial Administration Act.

Clause 17 repeals the Canada Forestry Act.

Clause 18 provides that the Department of Forestry Act shall come into force on a day to be fixed by proclamation of the Governor in Council.

Hon. G. Percival Burchill: Honourable senators, may I at once say that I regard this legislation as a long-overdue recognition by the federal Government of the fundamental importance of the forests and the forest industries in the economic life of this country, and I want to give the Government full marks for it.

Every chapter of Canadian history directly or indirectly contains some reference to our forests and the part they have played in the growth and development of this country. Canada's timber industries permeate the Canadian economy to such an extent that it would be difficult to find a village, town or city where some unit of these industries is not playing an important and highly needed role. In addition, taxwise these industries contribute substantial revenue to the federal administration, the provincial Governments and the municipalities within which they operate.

And not unimportant is the fact that through their industrial activities and the money they distribute through their production and sales processes, they also contribute actively to many other industries and commercial enterprises.

In earliest times our forests provided pine spars and pine timbers for His Majesty's navy, lumber for the sinews of war, and pitprops for the coal mines. Now they support our present pulp and paper and lumber industries, which, with other wood exports, contribute more than any other industry in balancing Canada's international trading position. As the honourable gentleman from Lumsden (Hon. Mr. Pearson) has indicated, the value of these exports last year was upward of $1,500 million.

Now, honourable senators, where do these forest products come from? They come from an annual crop of wood amounting to about 3,300 million cubic feet, of which about 45 per cent comes out in the form of logs, 45 per cent in the form of pulpwood, and the balance in fuel wood, posts, piling and mine props. This annual crop is harvested from a forest area which comprises 66 per cent of the land area of the 10 provinces and 47 per cent of the total area of Canada. Of this forest area it is estimated that about 71 per cent is presently accessible and operable. The timber of the accessible area is estimated at about 368 million cubic feet, of which 75 per cent is softwood and 25 per cent hardwood. About 80 per cent of this forest land is held as provincial Crown lands, and the balance is divided equally between the federal Government and private ownership.

This annual crop of 3,300 million cubic feet supports a forest industry which consists of 130 pulp and paper establishments, 6,300 sawmills and 4,000 wood-using plants, and employs, as my honourable friend has indicated, approximately 350,000 persons. It is the greatest single component in the economy of this nation. It is first in employment, first in wages paid, first in freight load and first in new capital investment.

The first job before us is so to manage and conserve for future use our forest stands by prudent and scientific forest management and proper utilization, and by guarding them from destruction by insects and fire, that the annual crop will not only be maintained but will be increased without depleting our national asset. Here, honourable senators, I might mention that we have been training foresters for that job. We have four forestry schools in Canada: at the University of British Columbia, Laval University, the University of New Brunswick and the University of Toronto. These schools last year had an enrolment of 767 students. I think there are at present in Canada about 1,900 foresters, employed by provincial and federal Governments and by industry.

It might be interesting to honourable senators if I demonstrated just what can be accomplished and what the potential is through proper forest management. I hold in my hand a summary of a forest management plan on lands owned and managed by the University of New Brunswick, consisting of a block of 3,640 acres, of which 3,300 acres are in a productive forest area. In 1914 this area contained 17,000 cords of wood, or an average of 5.20 cords per acre. Between 1914 and 1958, 34,714 cords were cut from this area and during the same period the inventory of standing wood on the area increased from the original 17,000 to 48,000 cords, or 14.55 cords per acre. That is a striking example of what can be done by proper forest management and utilization.

My honourable friend from Lumsden has given figures to show why our forest crop must be increased, and I do not wish to repeat them. In 1957 the Gordon Commission estimated that by 1980 there would be an increase of 50 per cent in the demand for lumber and 92 per cent in the demand for pulpwood. The Food and Agriculture Organization of the United Nations, with its worldwide representation, meeting in Rome last fall, estimated that the use of paper and paper products between the years 1955 and 1975 would increase by 140 per cent. As my honourable friend stated, Canada supplies at the present time 16 per cent of the world consumption. If we are to meet the challenge of the future, as indicated by these figures, Canada will have to double her export of lumber and related products in the next 15 years.

As honourable senators know, Crown lands are under the administration of the provincial Departments of Lands and Forests. To them, together with industry, must fall the first and foremost responsibility of assuring the future of Canada's forest industry. Industry and government must work together.

When I speak of industry I am thinking of labour as well as management, for only by intelligent co-operation of management and labour can the industry advance and meet world competition. But this advance must be along the road of scientific and enlightened techniques and processes, and the function of the federal Government must be to provide comprehensive research, as well as technical aid, through which knowledge is obtained, which is a prerequisite to industrial advance; and, in addition, it must assist the provincial authorities and industry in guarding the forest domain against disease, insects and fire hazard. This must be the function of the new Department of Forestry. The federal Government has, of course, been doing a good job along this line.

The Canada Forestry Act, passed in December 1949, repealed the Dominion Forest Reserves and Parks Act of 1927. It did three additional things, namely: (1) It established national forests or experimental areas. (2) It authorized the establishment and maintenance of forest products laboratories. (3) It enabled the minister to introduce agreements with the provinces for the protection, development and utilization of forest resources. That act has been administered in the Department of Northern Affairs and National Resources.

The forestry branch, under the direction of Dr. J. D. B. Harrison, a distinguished graduate of the University of New Brunswick, has been doing excellent and useful work within the limitation of the resources which were available. Under him is a staff of 449 persons, of whom 248 are permanent officials, and included among them are 92 graduate foresters. The Forest Research Division operates through seven districts and conducts five Forest Experimental Stations.

The Forest Products Laboratories Division, with a staff of 187, of whom 157 are permanent, is under the direction of Colonel J. H. Jenkins and has done most effective and useful work. Although limited in resources and facilities, the laboratories have made a great contribution, and industry is most appreciative of the work which has been carried out there. Studies and experiments in timber mechanics, plywood, containers, preservatives, wood utilization, seasoning, wood anatomy, bark utilization and sawmill waste are some of the research projects on which the laboratories have been working. The minister promises that the scope of these divisions will be widened, and has planned to double the research effort in the next five years, all of which will be warmly welcomed by the industry.

The pulp and paper industry does its own research. It maintains the Pulp and Paper Institute of Canada, in which the industry spends about $5 million per year.

In the Department of Agriculture the forest entomology, pathology and biology section, dealing with insects and forest diseases, has been doing an excellent job. In our province of New Brunswick since 1952 more than 6 million acres of forest lands have been sprayed with DDT, at a cost of more than $12 million, to arrest the spruce budworm which threatens the destruction of our balsam, fir and spruce. This was a co-operative effort between the federal Government, the provincial Government and industry operating under the name of Protection Limited. They have been obliged to continue spraying operations over an area during this past season.

This legislation will create a Department of Forestry in which all these divisions which I have described will function. There has been a feeling in the forest industry for a long time that it has been neglected by the federal Government. Over the years there have been a good many submissions from the industry. The last one was made in May 1959, when the Canadian Lumbermen's Association submitted a brief to the Standing Committee of the House of Commons on Mines, Forests and Waters. Associated with it were eight trade associations, namely the Maritime Lumber Bureau, the Quebec Lumber Manufacturers' Association, the British Columbia Lumber Manufacturers' Association, the Quebec Province Wholesale Lumber Association, the Wholesale Lumber Dealers' Association of Canada, the Maritime Retail Lumber Dealers' Association, the Ontario Retail Lumber Dealers' Association, and the Western Retail Lumber Dealers' Association. Their brief pointed out, among other things, that the federal Government collects a revenue of about $200 million from farmers and spends over $100 million annually in support of agriculture. The revenue from forest resources is also over $200 million, and expenditures run to about $10 million per year. That has been the grouse on the part of the lumber industry of this nation for years.

Honourable senators, while adequate wood reserves are most important, there is a danger of complacency in an economy of plenty for as one looks into the future it is apparent that Canadian industry faces a severe test. The Scandinavian and European mills can buy wood in Canada—they are actually doing it now—ship it to Europe, convert it to pulp and paper products and sell it in a competitive market. Logs at European mills cost much more than comparable Canadian wood, yet the lumber is in competition with ours in the United Kingdom market. They

are able to do this by the use of most modern equipment and methods and, of course, a lower standard of manufacturing costs.

Moreover, there is another factor. In the Scandinavian countries—and this is something for our national Government to bear in mind, particularly when it is discussing our trading relations in the future—wood industries are so important to the economy of the state that the Government's taxation policies are designed to permit them to sell their products in world markets. In other words, the Government's taxation policies are actually based on the wood industry.

In addition to that, of course, there is the threat of southern pine in the south of the United States which has enticed many of our pulp and paper manufacturers to go down there where they can get a cheaper wood, a wood that grows much more rapidly than our spruce, and where the working conditions and the manufacturing processes are cheaper than they are in Canada. We have lost a great many manufacturers to the southern states over the years. And let it be remembered that it is through research that methods have been found of making newsprint out of that wood in the south which is in competition with newsprint made from our spruce in Canada.

So, I say to the Canadian industry and to governments and to everybody who is interested, that the handwriting is on the wall. We have the wood—all kinds of it—and we have the kind of wood to make a first quality product. We have such people as top-grade scientists, management personnel, and the best of labour. Our opportunities are boundless.

I feel that the bill now before Parliament is a step in the right direction, and that it will be productive of greater progress along the road to greater knowledge through research.

Hon. T. A. Crerar: Honourable senators, I would like to participate briefly in this discussion on the proposal to set up a new forestry department. I have some interest in the matter because years ago, in happier times, I had the administration, in the Department of Mines and Resources, of the federal contribution to the development of our forest industries.

I listened with very close interest to the presentation by the sponsor of the bill (Hon. Mr. Pearson). He outlined at some length the great contribution that the forest industry has made to the economy of Canada, but he scarcely touched on how the proposals embodied in this bill would supplement or improve that contribution or add to the usefulness of this industry in our dominion.

My honourable friend from Northumberland-Miramichi (Hon. Mr. Burchill) fell somewhat into the same error. Those of us —and there are many—who keep informed in some fashion about the development of our forest industry and the contribution it makes to our economy are well aware that it is a great industry. I venture to say that most people in British Columbia are well acquainted with the importance of the forest industry to that province. A similar statement would apply to other provinces as well. What I should have liked to hear from the sponsor of the bill was information as to what the present Forestry Branch of the Department of Northern Affairs and National Resources is doing. And I would have found the address of my honourable colleague from Northumberland-Miramichi more interesting had he stated in some detail the values and benefits which he expects to be derived from this legislation.

Forestry is an important part of our economy and I think that fact is generally recognized across Canada. Certainly the pulp and paper people in both eastern and western Canada recognize its importance. Newspaper articles on its value have been published regularly and we require little information on this point to supplement what we already have. But so far it is not clear to my mind —and this is what bothers me—how this proposed department would improve the forest industry. The honourable gentleman from Northumberland-Miramichi stated this was the most neglected industry in Canada. Well, during the period when I was a member of the Government I found that theme had a very general application. I suspect that the farmers of western Canada today feel that their industry is the most neglected, and I am quite certain that the textile manufacturers are convinced they are at the bottom of the scale in this respect. But that kind of thing is no evidence of a need for this legislation. This year's estimates for the Forestry Branch of the Department of Northern Affairs and National Resources amount to about $6½ million. I would ask honourable senators to bear in mind that this amount is to cover research work and the like, for the federal authority does not control forest resources except in the Northwest Territories and the Yukon Territory, and there these resources are very limited. I understood my honourable friend from Northumberland-Miramichi to say that the federal Government received something like $200 million in revenue from the forest industry and contributed only $10 million to it, and he compared this with agriculture, from which the federal Government got

$200 million against expenses of $100 million. I am not quite certain how those figures are arrived at.

Hon. Mr. Aseltine: Neither am I.

Hon. Mr. Crerar: The provinces control all the timber and all our forests and they derive the revenue from these sources. The federal treasury gets indirect revenue from what may be called a stimulation of an expansion of our economy through the utilization of various products, and particularly their export. But that has a general application to all phases of our economy.

The honourable senator who sponsored the bill spoke about the number of forestry officers employed by the dominion Government. I made a calculation that at the present time the Forestry Branch of the Department of Northern Affairs and National Resources employs about 480 full-time employees, and some 260 seasonal employees, presumably in the summer months. That represents a substantial personnel, and an annual expenditure of $6½ million is a very considerable amount.

Hon. Mr. Burchill: Did the honourable senator hear the comparative figures with reference to forest service employees in the United States?

Hon. Mr. Crerar: I am not just sure what application they would have. It would be just as interesting to know the number of forest service employees in Russia or Sweden. What I am pointing out is that the administration of most of our forest resources is in the hands of the provinces.

Hon. Mr. Pearson: Is that not true of agriculture also? Yet there is a federal Department of Agriculture.

Hon. Mr. Crerar: I shall have a word or two to say about that in a minute.

The provinces have the administration. I think there is a place for the federal Government in this business of forest administration, but I would like to draw the attention of the Senate to the fact that in forestry, agriculture and fisheries we are doing some work that is similar to that done by all the provinces, and if we examine closely we find overlapping in practically every instance.

That brings me to the point mentioned by the sponsor of the bill (Hon. Mr. Pearson) in his interjection a moment ago. There should be a broad differentiation between what the provinces do and what the federal Government does, and I think that differentiation should be on this basis: that the federal Government undertake the research work, which would be available to all the provinces, and the provinces do the practical investigation work. The provinces have experimental farms. I think the dominion Government has experimental farms in almost every province. The federal Government has a large parks system. Many of the provinces are getting into the parks system. Thus there is much duplication of effort, and unfortunately very often there is rivalry between provincial Government employees and federal Government employees. My view is that it is not necessary to set up a new Department of Forestry. It would mean the appointment of a minister, with all the paraphernalia and accoutrements, and all the civil servants associated with that office. That is bound to increase expense. What is needed is a good director of forestry—and I think we have a good one—who can supervise two or three things. First, research work. A great deal of useful research work has been done, perhaps in co-operation with the provinces, on a fire protection system.

When I was in the department, shortly before the outbreak of war, I had discussions with the province of Alberta leading to the protection of the east slope of the Rocky Mountains. Fires had devastated much of this area and when the forest were destroyed great floods occurred in the spring, causing damage and erosion. After the season passed the floods dwindled to streams. I am glad to say that work of protection was resumed after the war, and I understand it is pretty effectively carried on now by co-operation between the dominion Government and the province of Alberta. In the estimates there is a vote for the individual who is the dominion representative on the board.

I think the general field of forestry research should be left to the federal Government, because what the central Government does in this field is of value to practically every province. There is no need for each province to carry on its own research work. There is the problem of how this work could best be done. My honourable friend from Northumberland-Miramichi (Hon. Mr. Burchill) spoke of a large block of productive forest land managed by the University of New Brunswick. The land contained many thousand cords of wood per acre in 1914. A great many thousands of cords were cut in succeeding years, yet by 1948, owing to good management, the number of cords of wood per acre had increased to nearly three times that of 1914. That is the sort of thing that counts. Whether or not research can best be done through the universities, there is no question that it is of tremendous importance.

Another matter of very great importance is the preservation of forests. For instance, more than 20 years ago a good deal of consideration was being given to the ravages of the spruce budworm in the Maritime provinces.

I have not been closely in touch with this development since, but I understand that means have been found, through spraying with chemicals, of eradicating this trouble. Research in those directions is all to the good. However, I submit that it is not necessary to go to all the additional expense that would be involved in creating a new department to have this research effectively carried on.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Crerar: As a matter of fact, it has been pretty effectively carried on in the past. The dominion Government has co-operated with the provinces in the control of insects. It has co-operated in the matter of research. For the life of me, I cannot see how the appointment of a minister—who would need a deputy minister and a number of other salaried officials, with a lot of paraphernalia—could add one iota to the effectiveness of what is being done at the present time.

Since I hold, very modestly, certain views on the spending proclivities of this Government particularly, I must say that I cannot see the need of this bit of window dressing —because it is nothing more—that we are asked to approve today. I should say that the first job of Parliament at present is to economize wherever it can, to spend only where we are going to get results, where we are going to add to our assets. If any honourable senator wants to examine the total amount that is taken in at all levels of government out of the taxpayers' pockets, he can come to no other conclusion than that we are already pretty close to the danger point. If the experience of other nations is any guide for us, I think we should realize that. I confess that I cannot find myself enthusiastic for this bill. In regard to forestry, we have been doing excellent work. The progress that the industry has made, as placed before us so clearly by our colleagues, at any rate, is a measure of evidence that we have not been lax or failed altogether in the past.

Hon. Austin C. Taylor: Honourable senators, I should like to say just a few words in connection with one or two of the statements made by the honourable senator from Churchill (Hon. Mr. Crerar). While I have great admiration for him, I find at this time that I must come to the defence of the Departments of Agriculture, provincial and federal. He stated that there was great overlapping of services between the provincial and federal Departments of Agriculture and other departments. I should like to take exception to that statement. I happened to be in a position of administration in the Department of Agriculture in my province for a great number of years, and I recall distinctly that when the Rowell-Sirois Commission was hearing evidence the question of overlapping of services came up in every province. As I recall, Mr. Sirois himself said that there was very little overlapping between the federal and provincial Departments of Agriculture. As a matter of fact, he made the statement that there was no overlapping of services in my province. I think it is set out in the British North America Act that federal jurisdiction in the field of agriculture is confined to research, experimentation, inspection services and the administration of national acts, whereas the provincial field is confined almost entirely to that of education and extension services. I would not want the idea to go abroad that there is any degree of overlapping of existing services by the federal and provincial Departments of Agriculture, because I do not think such duplication exists.

Hon. Calvert C. Pratt: Honourable senators, I also should like to say a word or two on this subject for the purpose of referring to certain views that have just been expressed. In the first place, we must remember that in this bill we are dealing with a great industry, the greatest manufacturing industry in Canada. It is true that, as the honourable senator from Churchill (Hon. Mr. Crerar) said, the setting up of a new department will be more expensive than the operating of a subsidiary service. However, we make a great mistake if we confuse expenditure which is actually an expense with expenditure which is an investment. If we set up a department whose sole function will be to concentrate on the development of the forestry industry of Canada, instead of having the services split between two other departments, it should be well worth while. Research, foreign trade facilities and so forth really constitute an investment whereby the money comes back to the people of Canada. Certainly this great forestry industry of ours deserves the concentration which it can only receive, as far as the federal Government is concerned, through establishment of a department for that purpose.

When the honourable senator says forestry and forest areas are primarily provincial and not national, I think he is wrong. In relation to the subject before us I do not for the life of me see that there is any difference between forestry and agricultural, mineral or any other natural wealth. Each province certainly has these resources, but we are dealing here with a national policy for a national industry, and I think it is time that we did have this proposed concentration

within the federal Government for the development of this great industry of Canada.

As the honourable senator from Northumberland-Miramichi (Hon. Mr. Burchill) mentioned, technical changes are taking place in the development of forest products and so forth. Such changes are taking place not only in the paper and newsprint industry. Forest products are entering into all phases of industry today. For example, consumer packages in the stores and so forth right down the line originate with forest products. It is a great developing trade in the world, and unless Canada can gear itself by research and development to the countless additional uses which are constantly becoming available throughout the world for forest products, then Canada is simply going to be left far behind other countries.

As far as I am concerned I prefer to regard this bill as providing a new department to replace the present split-up services, and thus creating a paying asset rather than, as was suggested a moment ago, just another expense.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Pearson, bill referred to Standing Committee on Natural Resources.

INCOME TAX BILL

THIRD READING

Hon. John G. Higgins, for Hon. Gunnar S. Thorvaldson, moved the third reading of Bill C-68, to amend the Income Tax Act.

Motion agreed to and bill read third time and passed.

DIVORCE

BILLS—SECOND READINGS

Hon. G. Percival Burchill, for Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of the following bills:

Bill SD-488, for the relief of Elizabeth Fairnington Gaul.

Bill SD-489, for the relief of Rolande Mercier Perreault.

Bill SD-490, for the relief of France Andree Joly Smith.

Bill SD-491, for the relief of Marcelle Schipper Brian.

Motion agreed to and bills read second time, on division.

THIRD READINGS

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

Hon. Mr. Burchill: With leave, I move the third readings now.

Motion agreed to and bills read third time and passed, on division.

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, I have been informed that royal assent will take place this evening at about 8 o'clock. His Honour the Speaker has not yet received notice to that effect, but it will be forthcoming. I trust that all honourable senators now present will attend so that we may have a proper quorum. I would therefore move that the Senate do adjourn during pleasure, to reassemble at the call of the bell, at approximately 7.45 p.m.

Motion agreed to.

The Senate adjourned during pleasure.

At 7.45 p.m., the sitting was resumed.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa

14th July 1960

Sir,

I have the honour to inform you that the Hon. Wilfred Judson, Judge of the Supreme Court of Canada, acting as Deputy of His Excellency the Governor General, will proceed to the Senate Chamber today, the 14th July, at 8 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

E. Joly de Lotbinière,
Assistant Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

CANADA ELECTIONS BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-83, respecting the franchise of electors and the election of members of the House of Commons.

Bill read first time.

Hon. Arthur M. Pearson moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Wilfred Judson, Judge of the Supreme Court of Canada, Deputy of His Excellency the Governor General, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

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

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Governor General was pleased to give the royal assent to the following bills:

An Act to amend the Criminal Code.

An Act respecting Wabush Lake Railway Company Limited and Arnaud Railway Company.

An Act to amend the Public Service Superannuation Act.

The House of Commons withdrew.

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

The sitting of the Senate was resumed.

ADJOURNMENT

Leave having been given to revert to the order for motions:

Hon. Arthur M. Pearson: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, July 19, at 3 o'clock in the afternoon.

Motion agreed to.

The Senate adjourned until Tuesday, July 19, at 3. p.m.

THE SENATE

Tuesday, July 19, 1960

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

Prayers.

CANADA SHIPPING BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-80, to amend the Canada Shipping Act.

Bill read first time.

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

FREIGHT RATES REDUCTION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-81, to amend the Freight Rates Reduction Act.

Bill read first time.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

DOCUMENTS TABLED

Hon. Mr. Aseltine tabled:

Report of the Board of Broadcast Governors for the fiscal year ended March 31, 1960, pursuant to section 19 of the Broadcasting Act, Chapter 22, Statutes of 1958. (English and French texts).

Report of the Canadian Broadcasting Corporation for the fiscal year ended March 31, 1960, pursuant to section 36 of the Broadcasting Act, Chapter 22, Statutes of 1958, and section 85(3) and 87(3) of the Financial Administration Act, Chapter 116, R.S. 1952. (English and French texts).

Report of the Secretary of State of Canada for the fiscal year ended March 31, 1960, pursuant to section 8 of the Department of the Secretary of State Act, Chapter 77, R.S. 1952. (English and French texts).

Report of the Civil Service Commission of Canada for the calendar year ended December 31, 1959, pursuant to section 4 of the Civil Service Act, Chapter 48, R.S. 1952. (English and French texts).

The *Canada Gazette*, Part II, Statutory Orders and Regulations, 1960, Wednesday, July 13, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

DIVORCE

REPORT OF COMMITTEE

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, presented the committee's report No. 516 and moved, with leave, that the said report be adopted.

He said: Honourable senators, when presenting some reports from the Divorce Committee last week, I stated that they dealt with the last cases for this session, but one more case has turned up. It is one that was adjourned in order to allow the parties to perfect their proceedings if they wished to, and they have done so.

Report adopted.

FINAL REPORT OF COMMITTEE

Hon. Mr. Roebuck presented the 517th report of the Standing Committee on Divorce.

He said: Honourable senators, I now have the last report of the Divorce Committee for the session.

Hon. Mr. Brunt: Is that a promise?

Hon. Mr. Roebuck: This is what I might term the annual report, in which I, on behalf of the committee, sum up and give the statistics for the year and, if you will permit, make some comments of my own.

This has been a long and tedious session for the Divorce Committee. We have had more cases on the docket and have tried more than in any previous session of which I have knowledge. I think I may safely say it has been the largest docket in history. The proceedings have been most difficult, owing to the fact that our reports have not been followed as I would have liked to see them followed by the other place, and, as a consequence, a great deal of tension has existed.

Moreover, it is most difficult to conduct judicial proceedings, as they should be conducted, with a single eye to doing justice between the parties, when the tribunal is subject to continuous controversy in newspapers and elsewhere. I am sure that anyone who has tried to do justice between parties will realize the difficulties the committee has faced during this long term in endeavouring to do justice in no less than 492 cases, which is the number of petitions we heard and recommended.

Honourable senators, I now come to the details of the committee's 517th report. During the current session of Parliament 609

petitions for divorce were presented to the Senate and dealt with by the committee, as follows:

Petitions heard and recommended	492
Petitions heard and rejected	7
Petitions withdrawn	15
Petitions not disposed of	95
Total	609

Last session 85 cases remained undisposed of, so the figure of 95 for this session remains in about the same proportion.

Of the petitions recommended, 486 were from petitioners domiciled in the province of Quebec and 6 from petitioners domiciled in the province of Newfoundland. Of the 486 petitioners domiciled in the province of Quebec, 161 were husbands and 325 were wives. Of the 6 petitioners domiciled in the province of Newfoundland, one was a husband and 5 were wives.

Of the petitions heard, 13 were opposed at the hearings; and of the 13 cases opposed at the hearings, 6 were rejected.

The main, or general, committee met 54 times during the session on 54 separate days. The general committee divided into subcommittees for the hearing of evidence in support of petitions, and these subcommittees held 139 meetings.

In 6 cases, where the petitioner pleaded hardship on account of straitened circumstances in respect to the payment of the full parliamentary fees, the committee recommended a partial remission.

The fees paid to Parliament for bills of divorce heard and recommended during the present session amounted to $102,655.

In the event that all bills of divorce recommended by the committee, now in various stages before Parliament, receive the royal assent, the comparison of dissolutions of marriage granted by Parliament in the last ten sessions is as follows:

1952	312
1952-53	282
1953-54	378
1955	402
1956	356
1957 1st session	338
1957 2nd session	187
1958	319
1959	353
1960	492

Of the 492 bills for this session, between 400 and 450 are at present on the Order Paper of the House of Commons. Presuming they are passed—and I have every confidence they will be passed, except those cases against which objections may be raised and sustained—the total for this session will be the largest by a considerable margin for any single session during this period.

Statistics covering the number of divorces granted in Canada during the years 1955 to 1959, both inclusive, are as follows:

	1955	1956	1957	1958	1959
Canada	6,031	5,890	6,688	6,279	6,222
Newfoundland	1	5	6	7	1
Prince Edward Island	7	1	2	1	6
Nova Scotia	253	230	250	220	215
New Brunswick	181	215	206	150	221
Quebec	401	351	519	311	351
Ontario	2,509	2,472	2,873	2,776	2,595
Manitoba	337	314	305	292	301
Saskatchewan	237	221	242	281	276
Alberta	627	685	726	743	836
British Columbia	1,483	1,502	1,559	1,498	1,420

The figures for 1960 are not yet available. Honourable senators may find some significance and interest in the fact that Newfoundland had 1 case in 1959 and this year had 6. The total for Quebec last year was 351, and please bear that figure in mind when considering the fact that there were 2,595 cases in Ontario. In a comparison between these sister provinces, Quebec seems to me to stand up fairly well. Those who would destroy the present system of divorce might bear these figures in mind. I am not in favour of divorce. I do not like it. It is a remedy that should be accepted only as a last resort. It may be of some significance that in 1959 Parliament granted only 353 divorces, while the courts of Ontario granted 2,595; of Manitoba, 301; of Saskatchewan, 276, and of Alberta, 838.

It seems to me I have heard more by way of discussion with regard to our proceedings from British Columbia than from any other province. British Columbia courts granted 1,420 divorces last year. Those gentlemen from British Columbia who are concentrating their attention upon the Senate and its divorce proceedings might do well to cast their eyes homeward.

The national divorce rate per 100,000 population granted in Canada in 1959 was 35.7, divided as follows:

Newfoundland	0.2
Prince Edward Island	5.9
Nova Scotia	30.0
New Brunswick	37.5
Quebec	7.0
Ontario	43.6
Manitoba	34.0
Saskatchewan	30.6
Alberta	67.3
British Columbia	90.4

The rate of divorce in British Columbia is by all means the higest percentagewise in the whole dominion of Canada.

The following statement shows a comparison between the number of divorces granted to husbands and wives respectively in the years mentioned.

	Husbands	Wives
1955	2,357	3,674
1956	2,279	3,611
1957	2,701	3,987
1958	2,569	3,710
1959	2,459	3,763

All of this is respectfully submitted by myself as chairman.

Honourable senators, with your kind indulgence I would like to make a few additional comments. In the first place I wish to pay tribute, as I have done several times in the past when presenting similar reports, to those persons who have served us so faithfully during the session. I refer to the employees of the Committees Branch, which is headed by Mr. Harvey Armstrong, Chief Clerk of Committees; to Mr. John A. Hinds, Assistant Chief Clerk, Mrs. Bertha Anderson and Miss Edith Wray, secretaries, and the clerks of the branch, with whom you are familiar: Mr. James MacDonald, Mr. Fred Fortier, Mr. Gerard Lemire, Mr. George McIntosh and Mr. Alexander MacFarlane. I know these men and women have been only doing their duty, and are paid for it, but that is not the whole story. These officials, who throw themselves into the work with real interest, who apply their minds to it, and are so helpful on all occasions, do more than just the duties required of them, and I think virtues of that kind should be appreciated by honourable senators. I appreciate them. I think it is fitting that on some occasions, at least, we recognize that they are alive and doing good work for us.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Roebuck: I pause here just a moment, honourable senators, to say a word about our *Hansard* staff, without which the Divorce Committee could not operate. The *Hansard* staff reports not only the Divorce Committee but also the debates in this chamber, as well as certain proceedings of other committees. I would like to pay to them a well-earned tribute. Theirs is an exacting and laborious profession, so much so that it is difficult to find recruits in young men and women willing to undergo the severe and lengthy training necessary to qualify for this work. A knowledge of shorthand, of course, is required, and a facility in its application to match the speed of a speaker. In addition, they must possess a large vocabulary, an extensive knowledge of orthography and of English, and a broad familiarity with literature. A good reporter I submit, honourable senators, is a highly educated gentleman. Our staff is all that which I have mentioned. I have been chairman of the Divorce Committee since 1953, and I do not remember a single occasion upon which a correction has been required in any report of the committee by a petitioner or a witness whose words have been recorded.

Hon. Mr. Aseltine: A pretty good record.

Hon. Mr. Roebuck: Now, I am not to be heard to say that no mistakes have been made, but it is a pretty good indication of the accuracy of these men, when I say that nobody has complained to me, in my hearing or to my knowledge, during all those years.

I was rather intrigued, if that is the right word, by this quotation from Walt Whitman:

> My foothold is tenoned and morticed in granite.
> I laugh at what men call dissolution,
> And I know the amplitude of Time.

That can be said by every one of these men who make the permanent record of the activities of this chamber and its committees. They laugh at dissolution; their work will last—nobody knows how long, perhaps for a thousand years.

"It was not until 1909 that the British Parliament undertook to employ its own reporters, and to publish its own debates. In Canada, Parliament established its own *Hansard* staff in 1880, exactly 29 years before the mother of Parliaments in Great Britain had inaugurated a system of official reports of its proceedings.

"Members of Parliament who participate in debate have learned to cultivate and respect the patience and unselfish devotion of *Hansard's* staff of editors and reporters. It is not generally known that much more literal, and therefore more voluminous, transcription is given to speeches in the House of Commons than in the Senate. The fact that members in the Commons invariably address much of their remarks to their constituents as well as to their opponents across the floor of the house is taken into practical consideration by *Hansard*.

"In the Senate, the editor of *Hansard* has always exercised the art of condensation upon the speeches of honourable senators in a degree that is never approached in the Commons. Very little repetitious rhetoric is permitted to adorn the pages of Senate *Hansard*. Thus, a useful measure of economy is effected in the curtailed consumption of white paper and printer's ink.

"But, in both houses members have learned to appreciate the regard for good English which is practised by the editors of *Hansard*. The late Lord Oxford, when he was Mr. Asquith of the British House of Commons, once referred realistically to the fine discretion of the *Hansard* editor as follow:

> I believe indeed that the verdict of most parliamentary speakers would be that the kindly sponge of sympathetic oblivion is often to be preferred to the cruel fidelity of the verbatim report.

"Incidentally the use of this quotation from Mr. Asquith, one of the great contributors of all time to British Parliamentary debate, prompts the use of another reference. Michael

MacDonagh, a veteran parliamentary reporter, in his book *The Reporters' Gallery,* said:

> Indeed, few members of Parliament in my time were so correct and finished in diction that it would be presumptuous on the part of the reporter to pretend to make their language fresher or more forcible. In these I would include Mr. Joseph Chamberlain, Mr. Asquith, Mr. Churchill, Mr. John Redmond and Lord Hugh Cecil.
>
> Curiously enough, the two most powerful intellects that have been in Parliament in a long time, Mr. Balfour and Lord Morley, habitually clothed their original and profound reflections on political questions in sentences lax, loose and disjointed.

"One often wonders how many of our present generation in the Canadian Parliament would stand up under the cruel fidelity of the verbatim report'."

I will not tell honourable senators where I got all these references, but they are true, and I adopt them as my own in paying the best tribute I can to the excellent work, the helpful character, the accuracy and friendliness of our reporters on *Hansard.* I should include in the reporters I have mentioned, Mr. Basil Lake, Chief of the Reporting Branch, Mr. Graydon Hagen, Assistant Chief of the branch and senior reporter, Mr. Thomas Hubbard, Junior, Mr. Kirk Crockett, Mr. Fred Lawrence, Mr. Victor Lemire, Mr. George Baker, Mr. Aurèle Chenier, and Mr. Belleau, the translator. I might perhaps take the opportunity of adding to them my own secretary.

Honourable senators, there is another matter that I wish to bring before the house. I find it necessary, or at least advisable, to ask for two amendments to our rules. I give notice now that I will move to amend the rules. Let me explain. When it was not required by our rules to name the co-respondent—the co-respondent was unnamed in most cases—it was necessary to give public notice of the application which might involve the co-respondent, and therefore our rules, for quite a long way back, have required that an applicant for divorce publish his application in the newspapers. This kind of advertisement required by us to be placed in the newspapers would be highly libelous, were it not for the fact that the applicant can hide behind the Senate. Here is somebody of the city of Montreal and so on who gives notice that at the following session she will apply for a bill of divorce from her husband, and names him, salesman, of the city of Westmount, district of Montreal, province of Quebec, on the ground of adultery. Were I to publish a charge that some man or woman was guilty of adultery, something which I had not proved, I would be liable to heavy damages. I am sure the courts would frown on such a statement in the public press and award high damages in consequence.

Just let us think about it for a moment. Here is a man who wishes to get rid of his wife who is, of course, a member of a family and probably has a mother and father living, a sister and so on, and suddenly there appears in the daily newspapers the accusation against this woman, that she has been guilty of adultery. Can one imagine the weapon that is placed in someone's hands if he wishes to do injury to his spouse? What an opportunity we present him with to publish far and wide in the daily press that his wife has been guilty of adultery, of which he may not have any proof whatsoever! And we join with him in that outrage.

This advertising is utterly of no use or value to anyone, or so little that, in my judgment, after a long experience with it, I think it can be disregarded. The only persons who value the advertising and object to our dropping it are the lawyers who practise before us. If anyone would like to see some samples, I have three notices here in one paper, by one lawyer. At the bottom of each, in large capital type, is the name of the lawyer for the applicant, with his address.

Now, I believe in marriage. I like to advertise marriage but I would not like to advertise divorce. Why should I say to women in town that Mrs. Robinson, Mrs. Smith and Mrs. Brown are applying for divorce, and suggest and continue to suggest day after day in the public press that she may obtain relief from her troubles simply by getting a divorce; and if she fears there might be any difficulty about that, why, here is the lawyer's name, just go and see him.

Hon. Mr. Brunt: For how many years has it been necessary to publish these notices?

Hon. Mr. Roebuck: As far as I know, it has always been necessary, and the reason, I think, is that when Parliament is asked to pass a private bill whereby property or various kinds of other rights of individuals might be put in jeopardy, the rules of the Commons and of this chamber have required that the private bill be advertised. That is all right; I have no desire to interfere with that. But to advertise divorce continually in the public newspapers is, in my judgment, not in the public interest.

I think all honourable senators—certainly all the members of my committee with whom I have discussed this, and I have discussed it with them all—are unanimous in their opinion that we should no longer require that kind of thing. So I give notice now that I will move that the Rules of the Senate be amended as follows:

1. Rule 107. Strike out "of any nature whatsoever" and substitute "other than Bills of Divorce".

2. Rule 136. Strike out Rule 136 and substitute the following:

"136. Every applicant for a Bill of Divorce shall give notice of his or her intended application in accordance with subjoined Form A, and shall specify therein from whom and for what cause divorce is sought."

3. Rule 137. Strike out "two months" and substitute "one month".

4. Rule 139. 3. (e). Strike out "thirty days" and substitute "fifteen days".

5. Rule 141. Strike out "by the evidence of the publication of the notice as required by Rule 136, and".

6. Form E, paragraph 5. Strike out "thirty days" and substitute "fifteen days".

Hon. Mr. Macdonald: May I ask the honourable gentleman if in a case where it is impossible to effect personal service there is provision for advertising so that the respondent or defendant may receive notice that application is being made?

Hon. Mr. Roebuck: Yes. It is now provided that the name of the co-respondent must be given in the petition. When the name of the co-respondent is not given or is not known it is necessary for the solicitors to make an application to us for the privilege of proceeding without naming the co-respondent. In such cases the matter has so far been dealt with in my room by me personally. The application is made and I make an order for substitutional service, for advertising, if necessary, or whatever the circumstances seem to require, so I see no liability of injustice to anybody in this matter.

Hon. Mr. Macdonald: You do not fear that a respondent or defendant would not have notice of an application?

Hon. Mr. Roebuck: We will not proceed with one of these cases unless both parties have been notified. The respondent certainly, as well as the petitioner, is notified by the solicitors, and an affidavit of service of the notice upon him must be filed with our clerk before we proceed. If the co-respondent is not known, and an application is made for the privilege of proceeding without notice being served upon him, then is the time to advertise it; and that should be left, I think, to the discretion of the committee, usually acting through its chairman.

Hon. Mr. Hnatyshyn: If I may interrupt, I think what the honourable senator has outlined is exactly the procedure we have in our province of Saskatchewan. There is absolutely no advertising unless a party cannot be personnally served, and in that case the court may order that service be made by way of advertising in a daily newspaper.

Hon. Mr. Roebuck: I thank the honourable gentleman for giving me that information. I may say that the same practice prevails in the province of Ontario. Under the rules in Ontario there is no thought of any advertising whatsoever. I can go further than that. I think I can definitely state that in not one single province in the dominion of Canada where a divorce court operates is there any requirement for advertising.

Hon. Mr. Thorvaldson: You are quite right as to that.

Hon. Mr. Roebuck: None of our courts require it, and certainly it is a surplusage here in Parliament.

Hon. Mr. Brunt: Do not the rules of the other place provide for advertising with respect to all private bills?

Hon. Mr. Roebuck: I am not referring to them.

Hon. Mr. Brunt: No, but I am asking, do they not?

Hon. Mr. Roebuck: Yes; both in the Commons and the Senate public notice of private bills is required, particularly where individual rights, property rights and that kind of thing are affected; and corporations and so on making application for incorporation are required to advertise that they are applying to Parliament. I am not proposing any interference with that.

Hon. Mr. Brunt: Do the rules of the other place not provide that petitions for divorce bills shall be advertised?

Hon. Mr. Roebuck: Not specially. They require that petitions for all private bills be advertised.

Hon. Mr. Brunt: Wouldn't that include divorce bills?

Hon. Mr. Roebuck: That would include divorce bills, of course, but my conclusions were that we are the dominant chamber in this matter of divorce. We try the cases, we see the parties, so I think we should lead the way and the other house could follow.

Hon. Mr. Brunt: But a change in the rules could not be effective until the other place agreed to it.

Hon. Mr. Roebuck: Yes, it could. We do not need to require the advertising of divorce petitions that has been done in the past, and I would like to get free of it. The other house could do what it liked, but I fancy it would follow us in this respect and not require divorce petitions to be advertised, although petitions for other private bills are advertised.

Hon. Mr. Aseltine: Is it not possible that if divorce petitions were not advertised the other house might object to passing the bills?

Hon. Mr. Roebuck: I see no reason why it should object on that ground. If the other house thinks advertising is required, it can have it done. It now requires it to be done.

Hon. Mr. Lambert: Honourable senators, with permission of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) may I make a comment? There is one very good reason why there would be no objection to it in the House of Commons, namely, that the press gives little or no publicity to divorce cases in this country.

Hon. Mr. Brunt: I think publicity is given to them in the other place.

Hon. Mr. Lambert: Where publicity is given, these matters are probably regarded somewhat differently.

Hon. Mr. Roebuck: I do not see any difficulty in that regard. The other place draws its own rules, and if it requires advertising, it can have it done. It should not affect what we decide to do. If it does not choose to follow the Senate in that regard, then its advertising will be done as it has in the past.

Hon. Mr. Macdonald: As I understand the situation, if we do away with advertising, the other place will require it to be done before proceeding with the bills.

Hon. Mr. Roebuck: Advertising is required under the rules of that house now.

Hon. Mr. Macdonald: So there are two advertisements?

Hon. Mr. Roebuck: That house usually relies on the advertising required by the Senate. However, there is nothing in the rules of that house necessitating that it follow us in the matter of advertising. The responsibility is on the members of that house.

Honourable senators, I have been driven to my conclusion in this matter by reason of the fact that respondents are accused of an offence of this kind, and not a very nice offence, long before it is proved, and in many of the cases that come before us it is never proved. Notwithstanding that, the accusation against the respondent stands in the public press, be that person a man or a woman.

Hon. Mr. Macdonald: Will such a change in rules as suggested mean that the advertisement must appear in the *Canada Gazette*?

Hon. Mr. Roebuck: It makes no difference with respect to the *Canada Gazette*.

There is one more point I wish to bring before the house. At present our rules provide that two months shall elapse between the date of personal service of a petition upon the respondent and co-respondent, and the trial of the case. That time is too long. The courts require a much shorter time. Thirty days, it would seem, would be sufficient.

Hon. Mr. Aseltine: Ordinarily it is 15 days.

Hon. Mr. Roebuck: That is the court rule. The requirement of an elapsed time of two months is cumbersome and has bothered us a good deal in bringing cases on for hearing. I would like to see it reduced to 30 days.

Further, with respect to notice of contestation, I should think that 15 days would be sufficient for a respondent to make up his or her mind whether or not to oppose the petition. I give notice to amend the rules to this effect.

Honourable senators, I thank you for the moral support that you have given my committee during this current session and for the many commendations which we have received from time to time.

May I make mention of the attendance by the members of the Standing Committee on Divorce? It has been all that a chairman could possibly ask. Long and burdensome as the work of the committee has been, we have never been short of a quorum. As usual, I pay my chief compliment and take my hat off to the Honourable Senator Golding, who, with 54 meetings, met with us 54 times.

Hon. Senators: Hear, hear.

Hon. Mr. Roebuck: I wish also to mention the Honourable Senator Bradley—and I share his attendance record—who attended 53 days; the Honourable Senator Gershaw attended 52 days, and the Honourable Senator Barbour 51 days. Those honourable senators are in what I might call the "50-day class". The Honourable Senator Taylor (Westmorland) was unavoidably absent for a period of time, but nevertheless is in the "40-day class", and the Honourable Senator Kinley attended 35 days.

Honourable senators, I am most grateful to these gentlemen who have served with me with such faithfulness, devotion and concentration to the work in hand. I feel the committee has done very good work indeed.

Hon. W. M. Aseltine: Honourable senators, may I say a few words of congratulations to the honourable Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck) and to the hard-working members of that committee. Having been a more or less faithful member of the committee for some 20 years—in many of which I did not miss a sitting—I know something of the onerous work it is called upon to perform. I feel that we are most fortunate in having the honourable senator from Toronto-Trinity as chairman of this committee, and with him these honourable senators who serve so faithfully. Because of its regular meetings—during

the early part of the session it meets every day from Monday to Friday and sometimes on Saturday—it is a most demanding committee. I would not want this report tabled without congratulations being extended to the chairman and the members of the committee, the members of the staff, the reporters and all others who have taken such a common part in the work done during this session. They have done a good job, and I am sure we appreciate their faithfulness.

Hon. W. Ross Macdonald: Honourable senators, I would like to associate myself with the honourable Leader of the Government (Hon. Mr. Aseltine) in commending the chairman (Hon. Mr. Roebuck) and all the members of the Divorce Committee for the very faithful service they have rendered not only to the Senate but to the country during the present session and previous sessions.

As the honourable Leader of the Government has said, this is trying work; it is exacting work. It requires senators who serve on this committee to be in Ottawa on days when the Senate is not sitting. We who are not members of the committee owe a great debt of gratitude and appreciation to those senators who are prepared to take on this work. Most of us come here on Tuesdays, Wednesdays and Thursdays, and then go back to our other duties, but the members of the Divorce Committee are here on Mondays and Fridays, as well. If they were not here on those days the work before the committee could not be completed within the session. We cannot give to the members of this committee any greater consideration than the rest of the senators receive. All that we can offer them is an expression of our very great appreciation of the services they are rendering in this respect.

The Hon. the Speaker: It is ordered that this report lie on the table.

DEPARTMENT OF FORESTRY BILL

REPORT OF COMMITTEE

Hon. Gray Turgeon, Acting Chairman of the Standing Committee on Natural Resources, reported that the committee had considered Bill C-82, respecting the Department of Forestry, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Mr. Pearson moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

INTERNAL ECONOMY

THIRTEENTH REPORT OF COMMITTEE

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's thirteenth report:

The Standing Committee on Internal Economy and Contingent Accounts make their thirteenth report as follows:

Your committee have in obedience to the order of reference of June 14, 1960, considered the following report of the Civil Service Commission—

Some Hon. Senators: Dispense.

Hon. Mr. Croll: You are not going to deal with it today?

Hon. Mr. Brunt: No.

Hon. Mr. Croll: And the report will appear in the record?

Hon. Mr. Brunt: Yes.

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

Hon. Mr. Brunt: Next sitting.

FOURTEENTH REPORT

Hon. Mr. Brunt presented the committee's fourteenth report:

The Standing Committee on Internal Economy and Contingent Accounts make their fourteenth report, as follows—

Some Hon. Senators: Dispense.

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

Hon. Mr. Brunt: Next sitting.

For text of reports see appendix to today's Hansard, *pp. 1095-7.*

DIVORCE

BILL—FIRST READING

Hon. Arthur Roebuck, Chairman of the Standing Committee on Divorce, presented the following bill:

Bill SD-492, for the relief of Norman Edward Fulford.

Bill read first time.

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

Hon. Mr. Roebuck moved, with leave, that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

CANADIAN GOVERNMENT ANNUITIES

STATEMENT ON FUND

On the Orders of the Day:

Hon. William R. Brunt: Honourable senators, before the Orders of the Day are proceeded with, there is a matter to which I would like to make reference. On Wednesday last the honourable senator from Churchill (Hon. Mr. Crerar) made the following statement:

> It would be an interesting exercise for the honourable senator from Hanover (Hon. Mr. Brunt) to confer a public benefaction upon the house by inquiring into and ascertaining how much would be required to make the annuities fund solvent.

I made the necessary inquiries, and I found that the premium rates used prior to the year 1948 proved to be inadequate to cover fully the payments which were being made out of the annuities fund, because of the increase in the life of the average participant. Consequently, transfers have been made from time to time from the Consolidated Revenue Fund to cover this deficiency. From the year 1909 to the 31st day of March, 1959 the amount transferred totalled $30,143,025. I have here a table showing the amount that was transferred in each fiscal year, and with permission of honourable senators I will place it on *Hansard*:

Fiscal year	Am't transferred to maintain reserve
1909-1930	$ 502,000.00
1930-1931	108,644.72
1931-1932	261,939.35
1932-1933	289,435.39
1933-1934	184,237.98
1934-1935	146,057.46
1935-1936	271,826.73
1936-1937	540,831.72
1937-1938	8,941,195.84
1938-1939	nil
1939-1940	379,006.95
1940-1941	111,425.22
1941-1942	616,981.58
1942-1943	497,790.26
1943-1944	32,180.49
1944-1945	257,288.00
1945-1946	293,797.96
1946-1947	977,069.58
1947-1948	331,856.85
1948-1949	11,408,468.42
1949-1950	1,255,771.76
1950-1951	615,757.59
1951-1952	940,138.44
1952-1953	743,616.59
1953-1954	98,911.57
1954-1955	371,520.69
1955-1956	CR.115,042.21
1956-1957	CR.759,714.82
1957-1958	1,184,466.48
1958-1959	157,565.39

Hon. Mr. Macdonald: Would the honourable senator mind giving us the amounts for, say, the last three years?

Hon. Mr. Brunt: I will give them for the last two years, and later on you will understand why I do not do so for the third year. In the fiscal year 1957-58 the amount was $1,184,466.48, and in the fiscal year 1958-59 it was $157,565.39.

I might point out that for the fiscal years 1955-56 and 1956-57 there were surpluses of $115,042.21 and $759,714.82, respectively. This meant that for these two fiscal years transfers were made from the reserve fund of the Canadian Government Annuities to the Consolidated Revenue Fund. The process was reversed. This was brought about by a lower than normal death rate for each of these years. It should be pointed out that during the fiscal years 1937-38 and 1948-49 a new set of mortality tables was adopted to make adequate provision for the increased life of the average human being and the average participant, with the result that there have been no mortality losses of any kind on any annuities sold subsequent to the year 1948. In other words, all annuities that have been written commencing with the year 1948 now appear to be on a sound actuarial basis. I think they will continue on a sound actuarial basis until such time as the life span of the average person is extended.

Finally—and this is for the purpose of information only—I would like to point out that on March 31, 1959 there was in the reserve fund of the Canadian Government Annuities the sum of $1,105,825,076.

Hon. Mr. Roebuck: I wonder whether it would be possible to give the figures in constant dollars. Let me say that many years ago, I believe in the late twenties or early thirties, I bought an annuity for my wife for which I paid $16,000 in cash. The Government will repay me in money that will not have more than one-half the purchasing value of the money I paid then, and notwithstanding that some people have been kicking about the rate of interest, it has been the most valuable investment I know of on the part of the Government, taking money at high purchasing rates years ago and repaying later at reduced purchasing rates. The Annuities Branch is taking money now at rates of purchasing value which in all probability are higher than those of the money with which the debt will be repaid in years to come.

If these figures were given to us in constant dollars they would present a much different story.

Hon. Mr. Brunt: I am afraid an actuary would have to prepare the figures in constant dollars. I do not think I am capable of doing it.

LAND USE

REPORT OF SPECIAL COMMITTEE—MOTION FOR ADOPTION—DEBATE ADJOURNED

The Senate proceeded to consideration of the second report of the Special Committee on Land Use in Canada.

Hon. Arthur M. Pearson moved that the report be adopted.

He said: Honourable senators, at this time I wish to take into consideration the second report of the Special Committee on Land Use in the Senate, a copy of which you will find as an appendix to Senate *Hansard* of July 13, 1960.

First, honourable senators, I wish to extend my appreciation to all those who assisted in the work of the committee during this present session of Parliament. I would like to mention the work done by the committee from the Department of Agriculture which was sent to the United States to gather evidence and make a report on the Rural Development Program in that country. This committee was made up of four highly-qualified men: Dr. J. F. Booth, Director of Economics; Mr. A. E. Barrett, Assistant Director, General Research Branch; Mr. S. F. Shields, Regional Director, P.F.R.A., and Mr. R. A. Stutt, Head, Land Economics Division, Administration Branch.

The Department of Agriculture should also be commended for acting so promptly on your committee's recommendation and making it possible for this committee to proceed with its work.

I also wish to give a word of appreciation to all the clerical staff who worked so well during the session in taking reports and publishing the proceedings, and also to the Senate Committees Branch for its good work.

Finally, I appreciate the time taken by all 22 witnesses who prepared briefs for presentation.

Honourable senators, as everyone knows, a large segment of agriculture is having difficulties in trying to keep their heads above water, let alone trying to keep up with the standard of living which many of us enjoy in other vocations. Not too long ago agriculture was our principal renewable resource. Now as you know the Land Use Committee in its report made on July 16, 1959, showed how badly this large segment of our farmers are faring; getting less and less of the national income as their cost of production goes up.

The Department of Agriculture's committee of four reported back to the Land Use Committee, as indicated in the committee's printed Proceedings Nos. 1 and 2, of March 3 and 10, 1960. Before I explain or give you the highlights of this report, let me draw your attention to these figures: 44 per cent of 4.7 million farms in the United States produce 91 per cent of the farm product sales by value. The remaining 56 per cent of the nation's farm sales of agricultural products are so small they have little effect on the total output and marketing. Since these farmers sell little, they gain little from price stabilization programs. They necessarily must depend on off-farm jobs for their cash income. Thus you can see that the United States has a small farm problem comparable to ours, and it decided to try something to help out this situation. In 1955 the United States launched a plan called the Rural Development Program. This program was developed and put into action in 1955 by federal and state co-operation in setting up a number of widely-scattered pilot programs.

The first approach to setting up a pilot program was made by the state. In setting up such a program it located some of the most underdeveloped, uneconomic and underemployed counties. All local organizations in a county or area were called together, the federal and state authorities co-operating. Some of the organizations called together or asked to send representatives were: chambers of commerce, churches, school bodies, businessmen, forestry associations, local government bodies and agriculture associations of various kinds.

The work at these meetings in the various pilot counties was to tabulate first of all the problems of the area or county. Secondly, having done this they then set out all their assets: lands—total acreage in the county, arable, cultivated, pastures, forested; soils; rivers, lakes, industries, businesses, churches, schools, roads, et cetera.

The next order of business was to arrive at some specific effort which would overcome a certain problem. A subcommittee was formed to handle this specific program. The emphasis, however, was always on the local people helping themselves to accomplish this, and stress was laid on the need of leadership in every county that was undertaking this scheme. This is most essential: leadership and self-help are the outstanding features of the Rural Development Program. The federal and state authorities only come forward with technical research and financial assistance.

The problems vary with countries and people, so much so that no general pattern can be set for all countries. However, two fundamental facts are basic in the concept of rural development in the United States. First, because of increased output per worker resulting from technological and scientific

advances, fewer people are needed on farms. Second, opportunities for area economic development are mostly to be found in fields outside agriculture. These two facts made it imperative to develop other fields than agriculture. That is why off-farm work has been stressed so much.

Local people can direct attention to basic, economic and social needs of their area better or more quickly than outsiders. Then again, local people, by determining to solve their problems, preserve the freedom of the individual and give pride of accomplishment.

It would have been very nearly impossible to inaugurate a resource development program in the United States but for the assistance and co-operation of the Federal State Extension Service. This service is most essential to a well-developed federal-state arrangement to provide the people with useful research information. You might also say the Extension Service assists in development of leadership, also in passing along research information providing administrative support to local subcommittees.

Experience in the United States shows that local subcommittees are most effective when formed to deal with specific matters. In general, they deal with agriculture, wood lot development and promotion of industry, tourist trade, education, health and welfare, and community facilities, roads, water and many other varied fields of endeavour. In brief, the fundamental accomplishment in the Rural Development Program is the awareness engendered in the local people of their own problems and the setting about co-operatively to overcome them.

Mr. Paul N. Kepner, Deputy Administrator, Federal Extension Service, Washington, D.C., in his brief to the Land Use Committee, said tangible evidence indicated progress and accomplishments in the following fields:

1. New small industries or expansion of some already in existence.

2. Industrial training courses added to agricultural in rural schools.

3. Recreation and tourist facilities.

4. Needed agricultural marketing and service facilities established.

5. Reforestation and improved forestry management.

6. Extension services and other agencies have intensified their efforts to be of assistance to farmers.

7. Agricultural programs modified to better serve the long-time needs of these particular areas and small farmers.

8. The small business administration is providing financial, consultative and training services to small industries in rural areas.

In short, the rural Development Program is:

(1) local people recognizing a need; (2) focusing of local interest upon a concept of a total community; (3) involvement of every agency and person in accomplishment of an objective.

At the national level the organization is of a loose nature. This tends to avoid the policy of direction from the top, yet there is an atmosphere of co-operation all the way down the line. The basic tenet of the Rural Development Program is that local people can do things to help themselves, thus maintaining the freedom of the individual through a self-help program. It cannot be too strongly emphasized that there is a great variety of problems extending from end to end of the country, and not any one solution set up by a senior government can overcome all the problems.

That, honourable senators, is, in brief, an outline of the report of the committee from the Department of Agriculture. I strongly commend anyone who is interested in the agricultural problems of Canada to read this report in full. Your committee, while it did not quite finish what it had set out to do this session, nevertheless hopes to finish its program of discovery during next session.

The committee had briefs from some of the other departments of Government, the Canadian Chamber of Commerce and Dr. J. R. Pelletier, D.Sc., Superintendent, Experimental Farm, Ste. Anne de la Pocatière, Quebec.

Great good can come out of this Rural Development Program and I see no reason why a similar program cannot be initiated in Canada.

In Canada our farm organizations, instead of becoming mere pressure groups, should take a new hard look at their possible contribution to increase farm income. I feel our farm organizations can give our Governments a lead in setting up a similar development program. If certain municipalities would start a rural development program, I am sure they could get help in direction and technological assistance from the Extension Service in their province.

Honourable senators, in closing, I would like to draw your attention to some of the recommendations made by your committee and attached to its report:

Whereas there is a need of elimination of problem areas in Canada where farm businesses are small, productivity low and incomes inadequate for family requirements:—

The committee recommends,

(1) (a) That further research be undertaken to define more clearly the nature of the problem in low-income areas and to pinpoint their location.

(b) That a Federal-Provincial Rural Development Program be instituted to deal with areas of greatest need.

(2) That in implementing such a program the provincial Governments paritcipate on a co-operative basis; such co-operation to include the principle that both provincial and local authorities assume major responsibility for the identification of problems and needs of local areas and the initiation, planning and development of appropriate action programs.

(3) That the federal and provincial Governments co-operate in assisting any such program with financial and technical assistance, said financial assistance to be provided through a cost-sharing agreement.

Hon. Austin C. Taylor: Honourable senators, basing my motion on the assumption that this report is not now to be disposed of, on behalf of the honourable senator from Kings (Hon. Mr. McDonald) I move adjournment of the debate.

On motion of Hon. Mr. Taylor (Westmorland), for Hon. Mr. McDonald, debate adjourned.

CANADA ELECTIONS BILL

SECOND READING

Hon. Henri Courtemanche moved the second reading of Bill C-83, respecting the franchise of electors and the election of members of the House of Commons.

He said: Honourable senators, in moving second reading of this bill, C-83, an Act respecting the franchise of electors and the election of members of the House of Commons, I would like to make the following short observations.

The bill before you is a consolidation of the Canada Elections Act, which includes all the amendments proposed, together with two amendments made in the other house. These two amendments made similar modifications to clauses 18 and 25 by replacing the word "and" by a comma and adding after the word "Manitoba" the following words: "and New Brunswick and in every electoral district where it should be done in the opinion of the Chief Electoral Officer".

As honourable senators are aware, the Standing Committee on Privileges and Elections of the other house has carefully discussed the establishment of a permanent list of voters, absentee voting, proxy voting and the lowering of eligible voting age from 21 to 18 years. May I add that no amendments to the law in these respects were proposed.

Honourable senators will recall that advance polls were open to a very few special classes. The new bill would permit all voters who have reason to believe that they will not be in their polling divisions on election day to vote in advance.

Also, the new bill extends the voting time by one hour, to give a better opportunity to certain categories of workers to discharge their duty as electors.

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Most of the other amendments are operational, designed to facilitate the task of the Chief Electoral Officer in discharging his duties under the act.

As I intend to move that this bill be referred to the Standing Committee on Banking and Commerce for further study, we shall have an opportunity of discussing these details with the Chief Electoral Officer when the bill is under consideration there.

Hon. W. Ross Macdonald: Honourable senators, this bill is primarily one for the other house and I do not intend to take up a great deal of the time of this house in discussing it. I do feel however that elections are not only of interest but are also the concern of all, and any suggestions we can make in this house toward ensuring that elections are carried on fairly and as inexpensively as possible I feel we should make.

Before referring to the act, may I say that I am glad the bill has been sponsored in this house by the honourable senator from Rougemont (Hon. Mr. Courtemanche). He came to us at the beginning of this session and we gave him a welcome then. We are happy that he is taking an active interest in the work of this house and we know he will contribute much to it.

As I said, we are all anxious to make sure that there is fairness at all times in elections, that is to say, that neither party gets any political advantage from the election machinery. I think that is true at the present time. I recall—it must be 25 years ago, at least—when the Right Honourable William Lyon Mackenzie King proposed that instead of one enumerator in each subdivision there should be two enumerators: one appointed by the party whose candidate led the poll in the previous election, and the other appointed by the party who came second in that election. That was a revolutionary idea, I must say, among the Grits of that day, of whom I was one. We thought we were giving too great an advantage to the other side, but it has turned out not to be so, and today it is accepted as a matter of course that in the enumeration there shall be two enumerators, one from each side, to make sure that the name of every qualified elector is on the voters' list. And I think I can say that both parties are anxious that that should be done. In fact, all parties are anxious that that should be done.

It has occurred to me, although I have noticed no unfairness, that a change might be made in the rural constituencies. Honourable senators will recall that in the rural constituencies there is just one enumerator and he is appointed by the returning officer. Now, I have never known of any place where

there has been unfairness; I know of no examples where a name has been left off.

Hon. Mr. Roebuck: Is there an appeal from this list?

Hon. Mr. Macdonald: Yes; if the name is left off there is an opportunity to have it added later on.

Hon. Mr. Brunt: There is also provision for the person to vote on voting day by being vouched for.

Hon. Mr. Macdonald: In the rural districts, also, the name can be added to the list by the voter making an affidavit on that day. I am not suggesting there is unfairness in that respect, but it has occurred to me that it might bring about a better balance if in the rural ridings the deputy returning officer was appointed by the party whose candidate led the poll in the previous election and the clerk was appointed by the other party, so that in charge of each booth there would be a representative from each party.

Hon. Mr. Brunt: What if there were four parties represented?

Hon. Mr. Macdonald: What if there were four parties when the enumeration was being made? I think the same procedure should be adopted in connection with the deputy returning officer and the clerk in the rural ridings as is followed in the urban ridings.

Hon. Mr. Aseltine: It would cost too much.

Hon. Mr. Macdonald: It would not cost a cent more.

Hon. Mr. Aseltine: You would have to pay another man.

Hon. Mr. Macdonald: No. My proposal would be that in the rural ridings on election day the deputy returning officer's name would be recommended by those supporting the Government of the day and the clerk would be recommended by the second party.

Hon. Mr. Aseltine: Oh, I thought you were referring to the preparation of the lists.

Hon. Mr. Macdonald: No. It is merely a suggestion to bring about a balance in the rural ridings comparable to the balance in the urban ridings.

I am not suggesting that in the urban ridings the clerk should be appointed by the other party; this suggestion is limited to the rural ridings. It is merely a suggestion, so that there would be no question whatsoever as to any unfairness in the polling booth.

Another matter which gives me great concern is the cost of elections these days. I know that when I first ran, in 1926, it cost me a lot of money, but if I were running today it would cost me four or five times as much.

Hon. Mr. Monette: Does the honourable senator refer to official costs?

Hon. Mr. Croll: Yes.

Hon. Mr. Macdonald: I myself only knew of the official costs at the time, but I was told afterwards there were other costs.

Hon. Mr. Brunt: Of course, the dollar was worth much more then.

Hon. Mr. Macdonald: In any event, the overall cost is becoming so great that I wonder how anyone is bold enough to offer himself as a candidate. In most circumstances unless you are wealthy you have to rely to a great extent on your friends, and that is not too desirable a situation. And the cost is increasing all the time. To begin with, radio is expensive, and on top of that we have television, and I do not know what else there is. Now it is permissible to have tea parties, something which was never heard of in the old days. It will now be legal to advertise and to invite people to come to have tea and cake.

Hon. Mr. Croll: It is cheaper than a beer party.

Hon. Mr. Macdonald: I see some honourable senators speak with greater knowledge than I.

Honourable senators, I am sure we all agree that elections are now becoming a luxury which few can afford. The reason for the high cost is the time that elapses between the announcement of an election and the election day. I would point out that the lapse of time today is greater than it was 25 or 30 years ago. This is a fact, notwithstanding the additional means we now have of informing electors of the issues of the day. We have radios, television, faster motorcars and quicker communications of all kinds.

Hon. Mr. Roebuck: And good roads.

Hon. Mr. Macdonald: Yes, good roads and, as I said, faster cars.

Hon. Mr. MacDonald (Queens): What about the chicken suppers?

Hon. Mr. Macdonald: The chicken suppers too can be worked in quite well within, say, 30 days.

Let me emphasize that despite the improved means of transportation and communication it takes longer to hold an election today than it did 25 or 30 years ago. Under the present law an election cannot take place within less than 60 days from its announcement. Forty-nine days must elapse between the time the

enumeration commences and election day. It takes an additional week to appoint enumerators, which would bring the time up to 56 days, plus a probable additional four, making a total of 60 days. It is this lengthy period of time which makes the conduct of an election an expensive undertaking. If the time could be cut in half, I do not say it would reduce the expense to the same extent, but it would certainly be considerably less. Why can we in Canada not have a permanent list of electors?

Hon. Mr. Aseltine: We tried it once.

Hon. Mr. Macdonald: True, it was tried once in 1934, but it was only half tried. The machinery was set up, but it was never put into effect. Because it was not properly tried it was a dismal failure, but that is no reason why it should not be attempted again. I urge that it be tried again.

Honourable senators, from inquiries I have learned that Canada is the only country in the commonwealth which requires electors' lists to be made up after the writs are issued. Great Britain has a permanent voters' list, and elections take place within a period of three weeks.

I know there are difficulties to be met in providing a permanent list. At one time it occurred to me that a permanent list might be set up by the federal Government in co-operation with the provincial Governments, and the list could be revised yearly or half-yearly. But I find there are difficulties in the way of such a scheme, because the qualifications for voters in the provincial elections are not the same as in the dominion elections. As I recall, in the province of Saskatchewan citizens may vote at the age of 18 years, and in British Columbia and Alberta I believe the age is 19 years. There is also a difference in the residential qualifications as between dominion and provincial elections. Some provinces require that voters have a residential qualification of two years, while others require one year.

However, I do not think that these difficulties should stand in our way. I feel that Canada should no longer remain the only country in the commonwealth in which it takes not less than 60 days to hold an election. I know it would be expensive to set up a permanent list of electors, but I believe it would be worth while. If that is not done, the time will come when only wealthy people may get elected to Parliament. My suggestion, honourable senators, is for a permanent voters' list.

Hon. David A. Croll: Honourable senators, this bill offers some improvements over our present law. It would extend the time of voting by one hour. It would provide for an advance poll, which would be of great advantage particularly to those of us who live in industrial areas.

I am disappointed that the bill does not reduce the age qualification of voters from 21 to 18 years. I have been a supporter of that view for a great many years. I supported it in the House of Commons while I was there, and I believe I have reason for speaking in favour of it now. Legislatively, in other respects, we treat our young persons as adults at a much earlier age than we do under the Canada Elections Act. For instance, at 18 years of age young people can buy firearms, drive automobiles, be in sole control of aircraft, and undertake the responsibility of marriage and parenthood which, in these days, is a heavy responsibility. At 18 young people are considered old enough to bear arms, and the law says they are sufficiently responsible for their own actions that they may be hanged. Yet we do not permit people of that age to vote in our federal elections.

I see no reason why we withhold from our young people the democratic right to vote until they reach the age of 21. I believe the young people are better educated today than in earlier years; certainly they have more opportunities to learn. They have the benefit of new means of communication, such as the radio, television and the press. If we gave them permission to vote at the age of 18 I think we would increase their awareness and widen their perception, and that in consequence they would have a continuing interest in public affairs.

Not enough people vote in our elections. My own view is that we should have obligatory voting in Canada. Australia has what it calls "compulsory voting". I prefer the term "obligatory voting", because a citizen has an obligation to discharge his responsibility. In Australia 95 per cent of the voters turn out at election time; here, we are lucky to get a 75 per cent turnout. Of course, some adults cannot vote because of sickness or other disability, but I think we ought to have a law making it a responsibility for all others to turn out at the polls. I do not suggest they be assessed a large penalty if they fail to vote, but I think it would be well if the lists were checked and those who did not vote were made to explain before some tribunal their reason for not voting. In many cases they might have a perfectly good reason for not voting, but now with the advance polls people cannot give one reason they used to give, that they were out of the district on election day. People who fail to vote ought to be made to excuse themselves—

Hon. Mr. Macdonald: Whether or not they are informed?

Hon. Mr. Croll: Informed on what?

Hon. Mr. Macdonald: On the issues of the day.

Hon. Mr. Croll: Those who voted against me were never informed.

Hon. Mr. Brunt: What about the elector in the rural riding?

Hon. Mr. Croll: He is on the list.

Hon. Mr. Brunt: Would you penalize him for not voting? He is entitled to vote even though his name is not on the list.

Hon. Mr. Croll: I do not understand.

Hon. Mr. Brunt: In a rural riding your name does not have to be on the list to enable you to vote. If my name is left off I can be vouched for and I can vote. Now, what happens if I cannot go out and vote?

Hon. Mr. Croll: The only way we can reach the rural voter is through a permanent list. As a matter of fact, that may be one of the drawbacks, but the problem is not as serious in rural areas as it is in industrial areas. Most of the people in the rural areas make it their business to get out and vote, and, of course, it is easier for them to do it because they are allowed to swear in, so to speak. In our industrial areas the neglect and reluctance to vote should be a matter of concern to all of us.

I think an obligatory form of voting would actually reduce the cost of elections which is now becoming very prohibitive. My honourable leader (Hon. Mr. Macdonald) talked about the cost of elections as one who has been through many of them. I always smile to myself when I see the list that is printed after each election showing how much money was spent by each of the candidates in their ridings. The honourable senator from Mille Isles (Hon. Mr. Monette) caught the point very quickly when he spoke of the official spending, but those of us who have been through the political wars realize how unrealistic—and I say that in kindly terms—those returns are. The cost is becoming almost prohibitive. I think something has to be done. I think we must, in some way, do something in order to provide for a modest ceiling or restriction on spending. We may have to limit spending to an amount based on the number of voters in the riding, as is done in Britain. There the candidate is told that there are so many names on the list and he or she is allowed to spend only so much money, and no more than the amount named may be spent, directly or indirectly. If more is spent it is considered to be a very serious offence.

Hon. Mr. Macdonald: During the three weeks of the election only. They can spend what they like before the three weeks.

Hon. Mr. Croll: Yes, but they consider that the money spent before the three weeks does not do the trick. Our candidates usually spend their money between the time the writ is issued and the time the election takes place, and not very much is spent before that period.

We are reaching in this country the stage that has been reached in the United States, where only the Kennedys and the Rockefellers can afford to run for office. We must take care to avoid that, because soon only their counterparts in this country will be able to run.

Hon. Mr. Brunt: What about the Nixons?

Hon. Mr. Croll: The Nixons are not running yet.

Hon. Mr. Brunt: They will be next week.

Hon. Mr. Croll: They will not finish anywhere near the Kennedys.

I have said what I have to say with respect to the 18-year-olds and the obligatory voting requirements. May I close by just saying this, that the 18-year-olds are older than we think. The only way I can prove that is to to suggest that you speak to your 18-year-old grandsons and granddaughters and see what you can learn from them.

Hon. Mr. Monette: May I ask the honourable senator a question about the 18-year-old electors? It is true that they have learned much more than we had at their time of life, but does the honourable senator feel they have more wisdom? At that age they are entitled to buy and have firearms, but are they thereby encouraged to improve our society or faced with a greater temptation to do wrong? They are entitled to own automobiles and to run automobiles at an even younger age, but is that a good thing? If it is, I have not noticed it in my own province. The young men in charge of automobiles and trucks are the most dangerous drivers on the road. They have no natural feeling that they are doing something very wrong and imprudent when they travel at great speed on approaching intersections. I wonder if my honourable friend's experience in this respect has been the same as mine.

Hon. Mr. Croll: I share my honourable friend's opinion to the full, but I suggest that this country has to be consistent.

Hon. Mr. Monette: By abolishing the right to drive at that early age?

Hon. Mr. Croll: We have to be consistent, because there are two classes of people who seem to be on the wrong end of the stick in this country—those who are under 21 and now, as I see it, those over 75. I am trying to make a case for both ends at the same time.

Hon. Mr. Roebuck: May I ask this question? Has my friend considered the fact that these young drivers are all new drivers? Their high accident rate may be due not so much to their youth as to the fact that they are inexperienced drivers. Were they much older but still new drivers they might have the same high accident rate.

Hon. Jean-François Pouliot: Honourable senators, I did not intend to take part in this discussion, but what has been said about youth gives me inspiration. Out of the mouths of babes comes the truth.

About ten years ago at the invitation of Mr. Sydney Smith, then the President of the University of Toronto, Mr. B. K. Sandwell, of *Saturday Night*, and four members of Parliament addressed a group of, perhaps, two thousand students in the Convocation Hall of the university. The Conservative party was represented by Mr. John Diefenbaker, who has become Prime Minister of Canada, and Miss Macphail was there for the C.C.F. Mr. Hughes Cleaver, then the member for Halton, was there for the official party and I represented the nonconformists. I suggested then that young men and young women of 18 should be given the franchise because when they were in the army they had that franchise, and those who were not in the army in times of peace were supposed to be as intelligent as the others. It seemed to create a very favourable impression among the young people and their parents at that time.

We must not judge the new generation only by the young men who steal cars and drive in a haphazard manner. They are the minority. The majority of young men and young women of today could be compared favourably with the young men and young women of the previous generation or of the generation before that. They are serious and they are taught quite a number of matters that were not on the curricula of our days—I say curricula because there were many. They have something that is lacking in older generations. It is enthusiasm. Fortunately there are some exceptions among older people. Some who are no longer in the prime of youth may get enthusiastic for noble causes and fight for them, but enthusiasm is much more common among the youth. It is not necessary to quote any names, but Pitt was Prime Minister of England before he had grey hair and long whiskers. He was in his early twenties. I could cite quite a number of other examples of that kind. I will not insist, for you, my honourable colleagues, know of those facts that belong to history perhaps much better than I do.

But I appeal to you. I was surprised when that motion was defeated recently in the House of Commons. I expected that the young people would be given the franchise, and it would be the best means of encouraging them to take more interest in politics. At the present time so many people are indifferent. They do not care about what is going on at Ottawa and in the provinces. They are not interested in that. The women read the newspaper advertisements about the big stores and men generally are readers of the sports page. Their interest ends there. That is their reading and that is their brain food, and if reducing the age for the franchise were a means of interesting the young in what happens in politics, it would be pretty beneficial to the country.

Hon. Mr. Monette: Does the honourable senator suggest that these young people would not read the sports news in the papers then? Does my honourable friend say the older people spend most of their time doing that?

Hon. Mr. Pouliot: No, that is not what I say. I say that some people, principally men, read mostly the sports pages. If they have a college education it should give them a true picture of politics. It all depends on their professors, naturally, but there are other means of being informed than by reading only the papers. That is my point. If young people read only the sports page in the papers it does not mean that they are not serious at work and that they do not gather useful information and practical instruction at school. They read the sports page as a relaxation, but if they were given more consideration with regard to the franchise I am sure it would be beneficial to them and, therefore, beneficial to the country at large.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

Hon. Mr. Monette: Honourable senators, on behalf of the honourable senator from Rougemont (Hon. Mr. Courtemanche), I move that the bill be referred to the Standing Committee on Banking and Commerce.

Hon. Mr. Macdonald: May I ask the honourable Leader of the Government (Hon. Mr. Aseltine) whether he expects that the Chief Electoral Officer will attend our committee meeting? I ask this question because I would like to have his opinion, if he feels free to give it, with respect to the possibility of establishing permanent voters' lists. I hope

he will be present and will give his views on this. He may not feel free to state whether he is in favour of it, for that is Government policy, but he could give us some information as to the cost and the procedure which would be necessary in order to establish permanent voters' lists.

Hon. Mr. Aseltine: I cannot answer that question right now but I will do my best in that direction. In the hope that we shall have present everybody who is necessary to deal with the points which have arisen, I suggest that a meeting of the Banking and Commerce Committee be held tomorrow morning to deal with this fully.

Hon. Mr. Croll: Mr. Chairman, I do not object to that suggestion of the Leader of the Government (Hon. Mr. Aseltine), but I think it should be predicated on the assumption that Mr. Castonguay will be there.

Hon. Mr. Aseltine: I cannot guarantee that he will be present.

Hon. Mr. Croll: Then why have a meeting of the committee?

Hon. Mr. Aseltine: There are other witnesses.

Hon. Mr. Macdonald: I quite agree that it is advisable, and I feel necessary, that Mr. Castonguay, the Chief Electoral Officer, should be present, and I hope the Leader of the Government (Hon. Mr. Aseltine) can arrange for his attendance. If not, we could hear other witnesses tomorrow and then adjourn until the Chief Electoral Officer can come.

Hon. Mr. Aseltine: That is quite in order.

On motion of Hon. Mr. Monette, for Hon. Mr. Courtemanche, bill referred to Standing Committee on Banking and Commerce.

CANADA'S CENTENNIAL

SUGGESTIONS FOR CELEBRATION—ORDER STANDS

On the Order:

Resuming the postponed debate on the inquiry of the Honourable Senator Cameron calling the attention of the Senate to Canada's Centennial Year 1967, and suggesting that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future.—(Honourable Senator Macdonald, P.C.).

Hon. Mr. Macdonald: Honourable senators, I ask that this order stand for one week.

Hon. Senators: Agreed.

The Hon. the Speaker: The order stands.

The Senate adjourned until tomorrow at 3 p.m.

APPENDIX

(*See p. 1085*)

REPORTS OF STANDING COMMITTEE ON INTERNAL ECONOMY AND CONTINGENT ACCOUNTS

Tuesday, July 19, 1960

The Standing Committee on Internal Economy and Contingent Accounts make their thirteenth report, as follows:—

Your committee have in obedience to the order of reference of June 14, 1960, considered the following report of the Civil Service Commission:—

1.

CIVIL SERVICE COMMISSION
CANADA

June 10, 1960.

To the Honourable the Members of the Senate:

The Civil Service Commission has the honour to submit the following report.

Treasury Board Minutes 562066 of March 28, 1960, and 564488 of May 12, 1960, copies of which are attached hereto, authorized salary revisions for a number of general classes in the Civil Service, effective April 1, 1960, and May 1, 1960, respectively.

Under the provisions of Sections 62 and 11 of the Civil Service Act, and in accordance with the policy and provisions of the above-mentioned Treasury Board Minutes, it is recommended that the revisions provided for the general classes in the Civil Service be applicable to the positions classified as such in the Senate.

Respectfully submitted,
Sam Hughes,
Chairman.
Ruth Addison,
Commissioner.
Paul Pelletier,
Commissioner.

Mark R. Drouin,
Speaker of the Senate.

2. The revisions provided in the above report for the general classes in the Civil Service and applicable to the positions classified as such in the Senate are as follows:

(a) Effective April 1, 1960—

Confidential Messenger

From:	$2790	2910	3030	3150
To:	2850	3000	3150	3300

Clerk 4

From:	$3570	3720	3870	4020
To:	4050	4200	4350	4500

Principal Clerk

From:	$4080	4230	4380	4530	4680
To:	4620		4800	4980	5160

(b) Effective May 1, 1960—

Cleaning Service Man

From:	$2550	2670	2790	2910
To:	2850	3000	3150	3300

3. Your committee recommend that the report be approved.

All which is respectfully submitted.

W. R. Brunt,
Chairman.

Tuesday, July 19, 1960.

The Standing Committee on Internal Economy and Contingent Accounts make their fourteenth report, as follows:—

Your committee recommend the adoption of the following revised rates of compensation:—

1. *Executive Assistant:*

(a) That the rate of compensation for the Executive Assistant and Private Secretary to the Leader of the Government in the Senate be increased as follows:

From: $7000 per annum
To: $8000 per annum

(b) That the rate of compensation for the Executive Assistant and Private Secretary to the Leader of the Opposition in the Senate be increased as follows:

From: $7000 per annum
To: $8000 per annum

Effective June 1, 1960.

2. *Senate Secretaries: Continuing Temporary.*

(a) That the rate of compensation for the Secretary-stenographer to the Leader of the Government in the Senate be increased as follows:

From: $375 per month ($4500 per annum)
To: $400 per month ($4800 per annum)

(b) That the rate of compensation for the Secretary-stenographer to the Leader of the Opposition in the Senate be increased as follows:

From: $342 per month ($4104 per annum)
To: $367 per month ($4404 per annum)

(c) That the rate of compensation for the Supervisor, Senate Stenographic Pool, be increased as follows:

From: $342 per month ($4104 per annum)
To: $367 per month ($4404 per annum)

(d) That the rate of compensation for the Senior Bilingual Stenographer be increased as follows:

From: $333 per month ($3996 per annum)
To: $358 per month ($4296 per annum)

Effective April 1, 1960.

3. *Senate Stenographers: Continuing Temporary.*

That the graduated range of compensation for continuing temporary stenographers be increased as follows:

From:

1st Session of employment at the rate of $278 per month ($3336 per annum)

2nd Session of employment at the rate of $298 per month ($3576 per annum)

3rd Session of employment at the rate of $315 per month ($3780 per annum)

To:

1st Session of employment at the rate of $303 per month ($3636 per annum)

2nd Session of employment at the rate of $323 per month ($3876 per annum)

3rd Session of employment at the rate of $340 per month ($4080 per annum)

Effective April 1, 1960.

4. *Senate Stenographers: Sessional.*

That the graduated range of compensation for sessional stenographers be increased as follows:

From:

1st Session of employment at the rate of $278 per month ($3336 per annum)

2nd Session of employment at the rate of $298 per month ($3576 per annum)

3rd Session of employment at the rate of $315 per month ($3780 per annum)

To:

1st Session of employment at the rate of $303 per month ($3636 per annum)

2nd Session of employment at the rate of $323 per month ($3876 per annum)

3rd Session of employment at the rate of $340 per month ($4080 per annum)

Effective April 1, 1960.

5. *Debates Amanuenses: Sessional.*

That the graduated range of compensation for Debates Amanuenses be increased as follows:

From:

1st Session of employment at the rate of $335 per month ($4020 per annum)

2nd Session of employment at the rate of $355 per month ($4260 per annum)

3rd Session of employment at the rate of $375 per month ($4500 per annum)

To:

1st Session of employment at the rate of $360 per month ($4320 per annum)

2nd Session of employment at the rate of $380 per month ($4560 per annum)

3rd Session of employment at the rate of $400 per month ($4800 per annum)

Effective April 1, 1960.

6. *Parliamentary Confidential Messenger, Committees Branch (Temporary)*

That the rate of compensation for Mr. George McIntosh, continuing temporary Parliamentary Confidential Messenger, Committees Branch, be revised and increased as follows:

From: $275. per month ($3300 per annum)

To: (Graduated annual)
3150 3300 3450 3600

Effective July 1, 1960.

7. *Confidential Messenger: Continuing Temporary.*

That the rate of compensation for Confidential Messenger (Continuing Temporary) be increased as follows:

From: $260. per month ($3120 per annum)

To: (Graduated Annual)
2850 3000 3150 3300

Effective April 1, 1960.

8. *Confidential Messenger: Sessional.*

That the rate of compensation for Confidential Messenger (Sessional) be increased as follows:

From: $250. per month ($3000 per annum)

To: (Graduated annual) (at the rate of)
2850 3000 3150 3300

Effective April 1, 1960.

9. *Cleaning Service Man: Continuing Temporary and Sessional.*

That the rate of compensation for Cleaning Service Man (Continuing Temporary and Sessional) be increased as follows:

From: $247. per month ($2964 per annum)

To: 2850 3000 3150 3300

Effective May 1, 1960.

10. *Constable, Senate Protective Service: Continuing Temporary.*

That the rate of compensation for Constable, Senate Protective Service, be revised as follows:

From: $3396

To: 3390 3540 3690 3840

Effective July 1, 1960.

11. *Pages: Sessional.*

(a) That the rate of compensation for Chief Page be increased as follows:

From: $132. per month ($1584 per annum)

To: $139.50 per month ($1674 per annum)

(b) That the rate of compensation for Page be increased as follows:

From: $117. per month ($1404 per annum)

To: $124.50 per month ($1494 per annum)

Effective April 1, 1960.

All which is respectfully submitted.

W. R. Brunt,
Chairman.

79955–1—70

THE SENATE

Wednesday, July 20, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Report of the National Capital Commission covering the period January 1, 1959 to March 31, 1960 and Report of the Auditor General for the year ended March 31, 1960 pursuant to section 85(3) and section 87, respectively, of the Financial Administration Act, Chapter 116, R.S. 1952. (English text).

Report of the Department of Agriculture for the fiscal year ended March 31, 1960, pursuant to section 6 of the Department of Agriculture Act, Chapter 66, R.S. 1952. (English text).

Report of the Agricultural Stabilization Board for the year 1959-60, pursuant to section 14 of the Agricultural Stabilization Act, Chapter 22 of the Statutes of 1957-58. (English text).

Agreement between Canada and Italy for air services between and beyond their respective territories. Signed at Rome, February 2, 1960. (English and French texts).

Exchange of notes between the Government of Canada and the Government of Denmark renewing for a period of four years the aircrew training agreement between the two countries. Signed at Copenhagen, March 25, 1960. (English and French texts).

Exchange of notes between the Government of Canada and the Government of Norway renewing for a period of four years the aircrew training agreement between the two countries. Signed at Oslo, April 6, 1960. (English and French texts).

Exchange of notes between Canada and the United States of America concerning the final disposition of the CANOL facilities. Signed at Washington, March 31, 1960. (English and French texts).

Air Transport Agreement between the Government of Canada and the Government of the Republic of Turkey. Signed at Ankara, May 21, 1960. (English and French texts).

Exchange of notes between Canada and Norway concerning the organization of the "Canada-Norway defence science information exchange project". Signed at Oslo, May 24, 1960. (English and French texts).

Declaration on the provisional accession of Tunisia to the General Agreement on Tariffs and Trade. Signed by Canada May 24, 1960. (English and French texts).

Declaration on relations between contracting Parties to the General Agreement on Tariffs and Trade and the Government of the Polish People's Republic. Signed by Canada May 24, 1960. (English and French texts).

International Telecommunication Convention. Geneva, 1959. (English and French texts).

North American Regional Broadcasting Agreement. Washington, D.C., 1950. Entered into force April 19, 1960. (English and French texts).

CANADA ELECTIONS BILL

REPORT OF COMMITTEE

Hon. Stanley S. McKeen, Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-83, respecting the franchise of electors and the election of members of the House of Commons, and had directed him to report the same to the Senate without any amendment.

Report adopted.

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

Hon. Mr. Macdonald: Next sitting.

Hon. Mr. Courtemanche moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

EXCHANGE STABILIZATION FUND

REPORTED SALE OF AMERICAN FUNDS FOR CANADIAN EXCHANGE—NOTICE OF INQUIRY

Hon. A. Neil McLean: Honourable senators, it is reported in the press that during the month of May the Bank of Canada, through the Exchange Stabilization Fund, sold $101 million of American funds for Canadian exchange, thus supporting the Canadian dollar.

In view of this report, I shall inquire of the Government on Wednesday next as follows:

What is the net amount of American funds sold by the Exchange Stabilization Fund during the month of May?

What were the reasons for the sale?

What were the effects of this sale on the premium of the Canadian dollar?

DEPARTMENT OF FORESTRY BILL

THIRD READING

Hon. Arthur M. Pearson moved the third reading of Bill C-82, respecting the Department of Forestry.

Motion agreed to and bill read third time and passed.

LAND USE

REPORT OF SPECIAL COMMITTEE—MOTION FOR ADOPTION—DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. Pearson for adoption of the second report of the Special Committee on Land Use in Canada.

Hon. John A. McDonald: Honourable senators, I wish to thank the honourable senator from Westmorland (Hon. Mr. Taylor) for his courtesy in adjourning this debate yesterday on my behalf. Those of us who left the Maritimes on Monday in order to be in attendance in this chamber yesterday afternoon found that our train was late, and by the time we got to Montreal the Ottawa trains had left.

I wish to take this opportunity of extending a cordial welcome to our two most recent members who have come from the province of Nova Scotia. These gentlemen have set a really fine example in first-class citizenship. One has been very successful in business and has taken an active part in public affairs. The other is a highly respected lawyer and comes to us directly from the Legislature of Nova Scotia, where for some years he has been one of the chief lieutenants of Premier Stanfield. These new senators possess fine qualities of heart and mind which, together with their experience, have enabled them to render public service of a high order. I am sure I voice the sentiments of all here when I wish them many satisfactory years in continued public service as members of the Senate of Canada.

I would like to compliment the honourable senator from Lumsden (Hon. Mr. Pearson), Chairman of the Special Committee on Land Use, on his progress report. It contains much worth-while material, and its recommendations deserve our serious thought. I would also like to take this opportunity of expressing my appreciation of the good work done by the technical adviser to the committee, Mr. Ralph Stutt, and by the Clerk of the committee, Mr. James D. MacDonald.

This is probably the last progress report the Special Committee on Land Use will make. I hope that if the committee is reconstituted at the next session it will be able to bring down its final report, which I am sure will contain many valuable recommendations. If in the eyes of the Minister of Agriculture and his staff it would lend prestige and confidence to the committee and its work—and I do not mean to indicate they have not had such confidence—I for one would be glad to give way on the committee to a newer member of the Senate. It will be remembered that when this committee was set up after the last general election there were not many members sitting in this house to the right of His Honour the Speaker. That memberhip has increased now and it would not do any harm if the committee were brought into better balance by having more of those honourable senators included as members. I wish now to give expression to some thoughts that have come to me while studying the problems of the farmers. I may say that some of these thoughts date back to the time that I was more closely associated with agriculture that I am today.

The farmers of this country have been and are very grateful for the assistance they have received from federal and provincial Governments, through their technical staffs in research and education. For the benefit of those who may not be familiar with the educational work in the departments concerned I may say that research is generally understood to be the field of the federal department, whereas education is the field of the provincial departments. When attending dominion-provincial conferences we used to try to keep that line of demarcation quite clear, so that both the federal and provincial departments would not be doing the same work; we wished to keep duplication of services to the minimum.

The annual dominion-provincial agricultural gatherings have contributed to the progress that has been made by our farmers across Canada. If it had not been for the delegates associating at those dominion-provincial conferences and learning of the problems in the different areas, I doubt that our farmers would have enjoyed as soon as they did such benefits as have come from the Prairie Farm Rehabilitation Act, the feed freight assistance and the marshland improvement. The wartime Rehabilitation Committee of the House of Commons that was set up under the chairmanship of our honourable colleague from Cariboo (Hon. Mr. Turgeon) made a notable contribution.

In expressing appreciation to our Governments for their progressive and most helpful policies, we are not unmindful of the hopeless positions our farmers would have found themselves in had it not been for the trained staffs of federal and provincial agricultural departments. For the future welfare of Canadian farming in this age, when science must play a leading role, I think that our Governments must be increasingly more generous in making funds available so that everything possible will be done in research and education, and that the useful knowledge so gained will be promptly and clearly demonstrated to our farmers.

In dealing with the major problems that your Land Use Committee has studied for the last two sessions, I prefer to use the term "uneconomic farm units problems" rather than the shorter title "the small farm problems", for certainly in the Atlantic area some of the uneconomic units are not small farms for that area, and most of the largest farms in the Maritimes are small compared with the better farms in the Prairie provinces. Small farms are not necessarily uneconomic units. I think some people have the impression that a farm to be successful must be a large farm. That is not true. Where good growth is assured a large acreage is not required for success. Many farms that are small in size are successful economic units when managed by industrious and experienced farmers in the production of poultry and pork products and in the growing of small fruits and vegetables, but we do have larger farms that may be uneconomic because of marginal or submarginal soils on which

the most capable farmers would find it difficult, if not impossible, to make a satisfactory living. The Minister of Agriculture for Nova Scotia, in his submission before the committee, proved this point very convincingly from his personal experience. I can remember well when he started on a small farm which was quite heavily mortgaged. Unfortunately, he paid too much for the farm and it was difficult for him to make a success. However, as soon as he got land with better soil and sufficient acreage he became unusually successful. He has made an outstanding success in several branches of farming, including the production of quality beef.

Professor Wright, associate professor on farm management, has defined the uneconomic farm problem, in contrast to that of the commercial farm, as one where the resources in agricultural activity are inadequate to permit a scale of operation which could normally provide a standard of living satisfactory to the operator and his family.

There are three types of so-called small farms, and, too often, uneconomic units. One is the residential type. That is a farm which is used mainly as a place of residence for the owner and his family and on which there is little commercial agricultural activity. The second is a unit where much of the operator's time is spent away from home and where more than 50 per cent of the total income of the owner is derived from employment other than farming. The third type is where the farmer depends largely on farming for a living for himself and his family. It is on this third type that the Land Use Committee has been centering its study during the past two sessions, with the hope that we might make a contribution toward solving some of the problems concerning these, too often, uneconomic units. There are about 120,000 of these uneconomic units in Canada.

Every thoughtful person must, or at least should, be willing to give support to the encouragement of independent family-sized farms. Where are there more wholesome surroundings in which to live and educate a family than in a good farming community?

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. McDonald: "There has been no formula yet devised that can measure the contribution of the family farm to the social, moral and spiritual fibre of society," was stated in a recent brief of the Ontario Farmers' Union.

Mechanization of farming has caused a great reduction in the number of farms, and quite properly an increase in acreage per farm. There are only half as many farms in Nova Scotia as there were in 1911, and in the Maritimes nearly half the land that was once cultivated has been turned back to nature, while the acreage under cultivation in Quebec and Ontario has shown a steady decline over the past 18 years. Only in the Prairie provinces has the cultivated area increased, and 12 per cent of the farms on the Prairies have merged with larger units.

We would not wish, if we could, to stop the change that is taking place due to mechanization and new techniques, but this is causing one of the main problems, that of how to get the credit for our farmers to buy the necessary equipment and the acreage that would justify the expense of the heavier equipment. As honourable senators understand, it does not pay a farmer to buy this expensive equipment unless he can grow enough extra crop to justify the heavy expenditure. That is, he has to keep those machines working a certain proportion of the time producing cash crops or else the expenditure is a loss to him in the end. I have known of some farmers who have purchased expensive equipment but because they could not increase their production sufficiently to pay for the extra expense, in the end they unfortunately lost out and some of them had to mortgage their farms. I know of one case where this problem was solved by two friendly neighbours having sufficient acreage to justify the purchase of the heavier equipment. With the purchase of tractor, harrows, plow and truck they were able to dispose of most of the horses and no trouble arose, as they adopted a system of sharing the use of the heavier machinery.

Many of the better farmers have already added to their acreage so that they could increase their production and justify the expenditure for the equipment. There are very many others who urgently require money at low interest rates to buy both additional land and machinery.

Farmers' wood lots, if properly managed, may be a continuing source of revenue. I am sure one honourable senator sitting on my right here also believes in that. I heartily agree with that view. I do not know where there is any better investment possibility than in purchasing growing wood lots. The establishment of a Department of Forestry to co-operate with the provincial Departments of Lands and Forests should be a sound and progressive move. Farmers who find themselves on marginal or poor soils, and where too often the wood lots have been slaughtered in a determined effort to give their families a living, would, I think, be well advised to follow the advice of a capable farm manager in the employ of the provincial Department of Agriculture. I have known of farmers needing extra money for their families in order to sustain a satisfactory standard of

living and having to borrow from the money markets or from some person living in the town or city, and as happens too often they are not able to meet the payments. Then in such a case the creditor goes in and seizes the wood on the farm wood lot, and often it is all cut down, leaving nothing but some small trees, which are blown over when a strong wind comes, so that many years elapse before that land can produce anything again.

In some instances it is possible to make economic units from uneconomic units by reasonable applications of lime and fertilizers. In other cases, unproductive farms can be made to produce a reasonable standard of living by a change in the production of products. In other instances, I have seen such a situation remedied by the purchase of some better land nearby. Finally there have been occasions where the farmers and the farm management officials have regrettably agreed that it would be best to go to a better farming community; or in cases where, for one reason or another, the farmer would be happier and more successful in giving a better standard of living to his family in other work, that he then should apply for a position in some other industry.

The Land Use Committee members have had the opportunity to give preliminary study to the splendid report of the delegation selected to study rural development as it has been and is being carried out in parts of the United States, where economic farming conditions are very similar to those found in some farming communities in Canada. We have reason to hope that further study of the benefits of this United States rural development plan may encourage our most progressive and successful extension services of the provincial Departments of Agriculture to make a determined effort to render for some of our farming districts the outstanding services which have been made available in our neighbouring country. Our committee was told that the Rural Development Program in the United States was an earnest attempt to improve unfavourable conditions of life and work of the families in rural communities and particularly those living on uneconomic farm units, and that after three years of operation activities under the Rural Development Program are now going forward in some 200 counties and in 30 states.

The program has three major objectives: (1) to help families that have the desire and ability to stay in farming, given the necessary tools, land and skills; (2) to widen the range of off-farm job opportunities(3) to help rural people enjoy more opportunities for adequate training and improved help.

If honourable members of this house could read this session's committee report No. 5, which contains the submissions of Mr. Paul Kepner, Deputy Administrator, Federal Extension Service, United States Department of Agriculture, Washington, and Mr. Sherman Weiss, Northern Area Resources Development Specialist of Hayward, Wisconsin, they would understand why members of our own committee were impressed with what has already been accomplished in some farming areas in a comparatively short time under this rural development plan. Until a better rural development program is instituted it would seem that one of the most valuable contributions that the provincial Government can render is to supply capable farm managers along with their well-trained chemists and extension workers to help to solve the uneconomical farm unit problems.

There are submarginal lands with poor soils, far away from markets, that should be kept for the growing of trees. The Crown Lands Departments of the provincial Governments have been rendering a service by buying these lands, and in time they will again produce valuable wood products. Prospective farmers would be well advised to consult with the provincial Department of Agriculture to ascertain where the best soils are located and their proximity to market for the products that they propose to produce. In doing so, they will avoid the mistakes that have been made by many.

I believe that it is most important to stress the value of agricultural education. We are indeed fortunate in having first-class agricultural colleges in Canada, and I hope that in the near future we can encourage many more of our best young farmers to take the practical courses, even though it has to be done by increasing financial aid for board and tuition. It would be a sound investment of public money if the right class of students will take the courses. Short courses in agriculture and the 4-H Club work are also invaluable aids.

Twenty-five or 30 years ago a person could purchase and equip a farm for $6,000. Today it will cost $15,000 to $20,000 to purchase and equip an economic family farm unit. It would seem to be good business for federal and provincial Governments to make funds available to capable farmers so that they could produce economically our Atlantic provinces' requirements. To do this we would have to increase production from our farms annually by 130,000 head of cattle and 400,000 hogs.

Federation of Agriculture spokesmen have done well to remind those in authority that: (a) transportation costs must be kept as low as possible; (b) the farmer should receive a greater share of the consumers' dollar, and (c)

it is very important that the farmers' cost be kept at a minimum.

The cost-price squeeze is causing farmers and farm workers to take up other occupations; but for those remaining on farms I hope that we can rehabilitate them with the needed agricultural education, experience and will to succeed to become successful farmers and leaders in their communities. To do this the Honourable Mr. Haliburton, Minister of Agriculture in Nova Scotia, suggested the creation of a special authority to study the implications and to evolve a policy by which adjustment could be carried out. Such an authority, Mr. Haliburton said, could be set up under the federal Department of Agriculture in such a way that it would work in close co-operation with the provinces.

Could we not follow Mr. Haliburton's suggestion a little further and have the Illustration Farms Branch, or some such organization of the federal Department of Agriculture, select in each province one or more of what many would describe as presently uneconomic farm units and, by the application of sound principles in agriculture, demonstrate that these uneconomic units could be made profitable farming units? For instance, in the province of Nova Scotia I would like to see a presently uneconomic farm unit selected in the eastern part of the province and a similar one in the western part and, with the co-operation of the owners of these farms, have proper farm management officials, using the most approved scientific methods, show how these uneconomic units could be changed into farms that would sustain a reasonable standard of living.

I think that a great service could be rendered many Maritime farmers if the provisions afforded to western farmers under the Prairie Farm Rehabilitation Act could be expanded to cover all parts of Canada. Whereas in the west the problem is to take water into the soils, our problem is to drain it out and to keep certain of our rivers from overflowing and washing away some of our best agricultural land. Rivers draining some of our best agricultural land are in some instances crooked, and oftentimes too there is rock or other obstruction in the river beds preventing the easy flow of the water. Under such circumstances the water backs up, especially in the spring of the year, and overflows, and in many cases prevents the farmers from getting on to their land early in the spring. By using the provisions of the P.F.R.A. these valuable lands could be properly drained.

May I also stress the importance of lowering our transportation costs? Our primary producers, and industrialists too, of the Atlantic area should be given the right to compete in the central Canadian market by having a fixed minimum freight rate. In this connection it would seem only fair that the eastern part of the province of Quebec should be included as a part of the Atlantic area.

I believe that our Government should be putting forth every effort possible to assist in retaining present export markets and in discovering new markets. I wholeheartedly endorse the resolution of the honourable senator from Shelburne (Hon. Mr. Robertson). It certainly is vital for us to retain our export trade. We wish success to the delegations from Canada and the United States as they travel this week to Paris for a 20-nation meeting which will try to reach agreement on a draft convention for the Organization for Economic Co-operation and Development, as the successor of the Organization for European Economic Co-operation.

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

CANADA SHIPPING BILL

SECOND READING

Hon. W. M. Aseltine moved the second reading of Bill C-80, to amend the Canada Shipping Act.

He said: Honourable senators, the purpose of this bill is to implement an arrangement with the Government of the United States to co-ordinate the control of marine pilotage on the Great Lakes. This is being done in the interests of safety of navigation on those waters.

Honourable senators will remember that in January 1959 I introduced in this chamber a Government bill, known as Bill S-3, the purpose of which was to amend the Canada Shipping Act. It contained provision for a new Part VIA dealing with Great Lakes pilotage, which contained proposals very similar to those contained in the bill before us. Honourable senators will remember also that that bill, after receiving second reading in the Senate, was sent to the Standing Committee on Transport and Communications which, under the able chairmanship of the honourable senator from Inkerman (Hon. Mr. Hugessen), spent many days examining into the matters contained in the bill, heard many witnesses, and later brought in a report to this house. The bill received third reading and was passed in the Senate on March 4, 1959. It then went to the House of Commons, but was not proceeded with in that chamber because the Americans had not decided what they were going to put into their law with respect to pilots. The State Department of the United States, and the Department of Commerce representing

the United States Seaway Authority, generally were in agreement with the Canadian view; but the United States Coast Guard, which had direct responsibility for marine safety, proposed a bill which would require a pilot to be on board at all times. The Canadian view was that pilots were required only in the designated waters, namely, the dangerous waters, and were not required in the open waters of the Great Lakes. That was the basic difference, and it had to be ironed out before any measure of this kind could be proceeded with.

Finally, honourable senators, both countries agreed to the provision that is now in the present bill. Section 375B makes it possible for a ship's officer to navigate his ship in the open waters if he can meet certain minimum qualifications. Because this subject was dealt with in considerable detail a little more than a year ago, it is my intention to give only a relatively brief outline of the background of the proposed legislation and some explanation of its provisions.

The opening of the St. Lawrence Seaway raised new problems of navigation. Whereas formerly the Great Lakes were cut off from the sea except for comparatively small vessels, now very large modern ships enter in considerable numbers. Because the masters of these ships, as a rule, are not familiar with the Great Lakes rules of the road, which differ considerably from the international rules, the need for some governmental control in the interests of safety of navigation has been recognized, and as a result of consultations between Canada and the United States a co-ordinated system of pilotage has been agreed upon. The Congress of the United States has already adopted legislation for the purpose of implementing these arrangements, and this bill is designed to implement the arrangements so far as Canada is concerned. I have here a copy of the United States bill, which was passed early this month. It is not exactly in the form of our bill, and I will explain why a little later on.

It is quite obvious, of course, that because of the international character of the Great Lakes it is essential that any system of pilotage be co-ordinated between Canada and the United States. The discussions which took place between representatives of both Governments resulted in certain agreements and arrangements, the most important of them being as follows:

1. That compulsory pilotage be provided for in those waters of the Great Lakes which, because of their restricted and dangerous character, make it necessary in the interests of safety.

2. That in other than "designated" waters it will not be necessary to carry a pilot, provided a ship's officer has certain special minimum qualifications, including a knowledge of the Great Lakes rules of the road, a knowledge of the English language sufficient to permit effective use of radio-telephone, and some limited local knowledge of the waters to be traversed.

3. That "designation" of the "international" waters of the Great Lakes in which ships' courses cross the international boundary will be determined by agreement, and "designated" by both countries;

4. The designation of "non-international" waters will be the subject of consultation between the two countries and will be made by each in respect of its own waters.

5. Great Lakes vessels, both Canadian and United States, will be exempt from pilotage requirements, because they do not need pilots.

6. Each country agrees, on a reciprocal basis, that pilots of the other may operate in its waters.

7. That there shall be an equitable distribution of work between Canadian and United States pilots.

8. That there shall be continuing consultation between the two Governments in respect of such matters as the number of pilots to be registered on each side, tariffs to be charged for pilotage services, organization of pilotage services on both sides on a co-ordinated basis in the interests of efficiency and economy, and so forth.

Hon. Macdonald: Where is that provided in the bill?

Hon. Mr. Aseltine: I was just saying that this was the agreement that was reached between the two countries when they were consulting with regard to these matters. I did not say it was in the bill.

Hon. Mr. Macdonald: Is there an agreement which has been tabled in that connection?

Hon. Mr. Aseltine: No, there is no written agreement. The consultations were held between the two Governments by officials of the departments, and these were the things they discussed and agreed upon.

Perhaps I should explain at this point that while the bill before us and the United States legislation which was passed recently by Congress are designed to achieve a co-ordinated plan for Great Lakes pilotage, the form of the legislation in the two countries differs considerably. There are a number of reasons for this, among them being the fact that while in Canada Part VI of the Canada Shipping Act deals thoroughly with the whole matter of pilotage there has not been, up to

the present time, in the United States any federal legislation dealing with pilotage in a similar manner. Therefore, while in the case of the United States it has been necessary to enact legislation that will cover all aspects of pilotage as it will function in the United States waters of the Great Lakes, on the Canadian side it has been necessary to make provision only for those matters which are additional to or differ from the provisions at present in part VI of the Canada Shipping Act.

With that preliminary explanation I would like to deal briefly with the various clauses of the bill, for I think it will help honourable senators to understand more easily just what the legislation contemplates.

Clause 1 will add a new section 356A. As indicated in the explanatory notes in the bill, this is necessary for the purpose of implementing the reciprocal arrangement with the United States regarding the mutual recognition of the other's pilots in its own waters.

Clause 2 covers the matter of Great Lakes pilotage and its purpose is to complement the United States legislation which has already been adopted.

Section 375A is a definition section and is self-explanatory. I come now to section 375B.

Hon. Mr. Hugessen: Before the honourable Leader of the Government proceeds to deal with section 375B, would he be good enough to tell us whether the two Governments have arrived at any agreement as to what are to be the designated waters for the entire trip up the St. Lawrence to the Great Lakes for which a pilot would be necessary?

Hon. Mr. Aseltine: I believe in a general way they have been designated as the waters from St. Regis, Quebec, west to Kingston, Ontario, and the waters connecting Lake Erie and Lake Huron, and the waters connecting Lake Huron and Lake Superior.

Hon. Mr. Hugessen: And the Welland Canal?

Hon. Mr. Aseltine: Yes, it would be a designated area.

Hon. Mr. Macdonald: I am not quite clear about the so-called agreement between the two countries. Is this an agreement entered into with the St. Lawrence Seaway Authority and is it in writing?

Hon. Mr. Aseltine: I do not think the St. Lawrence Seaway Authority has anything to do with this at all.

Hon. Mr. Macdonald: Where is the agreement?

Hon. Mr. Aseltine: There is no written agreement. There were consultations between the officials whose names I gave at the outset of my remarks.

Hon. Mr. Macdonald: There was a conference and this is more in the form of a gentleman's agreement, I take it.

Hon. Mr. Aseltine: Yes, and subject to consultation from time to time.

Hon. Mr. Horner: And, of course, to the two bills, the American one and the Canadian one.

Hon. Mr. Aseltine: Yes, they dovetail.

Hon. Mr. Hugessen: I suppose each would agree that it would try to put through its own Parliament such legislation as might be necessary to implement those parts of the agreement required to be implemented by legislation?

Hon. Mr. Aseltine: There will be regulations, which I shall explain later on, dealing with these different matters. I do not look for any trouble or difficulty. They have spent almost two years now in trying to iron out these difficulties, and the passage of the American bill early this month was a great help. The United States seems to be anxious to co-operate in every way possible.

Section 375B(1) is the substantive portion of the proposed amendment and provides that in respect of vessels over 250 gross tons there shall be the following requirements in respect of pilotage: (a) in "designated waters" a registered pilot—Canadian or United States —will be required; (b) in respect of other than "designated" waters a registered pilot will be required unless there is on board a ship's officer who has certain qualifications to be prescribed by Governor in Council regulations.

Section 375B(2) would authorize the minister to grant exemptions in certain special cases. Examples of these would be Government ships, both Canadian and American—in other words, those ships belonging to the Government of Canada and those belonging to the Government of the United States.

Section 375B(3) complements a similar provision in the United States bill and exempts lake vessels, both Canadian and United States, from the pilotage requirements of this new part. At the beginning of my remarks I stated briefly what those qualifications would probably be.

Section 375B(4) provides a satutory exemption in the cases indicated; that is, when a registered pilot is not available and the master has been so informed by the Deputy Minister of Transport, or when the vessel is in distress or in circumstances making it necessary for the master to avail himself of the best assistance he can find. The United States legislation has a similar provision and these exemptions would be recognized on a reciprocal basis.

Section 375B(5) and section 375B(6) are important. The purpose of these two subsections is to incorporate in our bill provisions in respect of reciprocity similar to those in the United States bill. Subsection 5 provides that the authority given to United States registered pilots in respect of designated waters, and to other persons holding United States licences in respect of other than designated waters, will be extended only so long as similar recognition is given by the United States to Canadians. Subsection 6 provides that the exemption given to United States vessels by Canada will extend only so long as the United States gives similar exemptions to Canadian vessels.

Section 375C(1) sets out those matters on which the Governor in Council may make regulations, including designation of waters, qualification and registration of pilots, qualifications of ships' officers to entitle them to operate in other than designated waters, and so forth.

Section 375C(2) authorizes the minister, pursuant to the Canada-United States arrangement, to fix the number of Canadian pilots.

Section 375D provides for certain penalties.

Clause 3 of the bill provides that the act will come into force on proclamation.

Honourable senators, before I close my remarks I would like to say that when this bill was before the Standing Committee on Railways, Canals and Telegraphs in the other place, on July 5 last, Mr. Jean Brisset, Q.C., appeared for the Shipping Federation of Canada, Incorporated. I will read from the report of the committee's proceedings a statement made by him:

> We want to say right here that we support the legislation that is before you today. We will have certain amendments to suggest, but we support this legislation, as we supported the parallel legislation which became law, I am reliably informed, last Thursday in the United States, when it was signed by the President; the Great Lakes pilotage bill.

Mr. Charles J. Gélinas, counsel for the Fédération des Pilotes du Saint-Laurent, who, I believe, also appeared before our committee, told the House of Commons committee:

> In the name of the federation I wish to express our satisfaction with the bill which now is being presented to you for study.

Honourable senators, I think that what we tried to do in January, February and March 1959, when our committee was dealing with this matter, has had some beneficial results in that it helped the Government of the day to make what may be called, and what I believe is, a reasonable arrangement in so far as pilotage on the Great Lakes is concerned.

Hon. A. K. Hugessen: Honourable senators, we are grateful to the honourable Leader of the Government (Hon. Mr. Aseltine) for his very clear explanation of this bill. I have only a few words to say about it. I think it is a great advance upon the bill with which we in the Standing Committee on Transport and Communications struggled so long, and in the end so ineffectually, in the early months of last year. The two reasons why it is an advance, I think, are these. In the first place, in the beginning of 1959, with respect to pilotage on the Great Lakes, we were introducing legislation in the void, so to speak. We did not know at that time whether similar legislation would be introduced in the United States, and we were legislating on the assumption—

Hon. Mr. Aseltine: There was a bill in the United States at that time, was there not?

Hon. Mr. Hugessen: Oh, yes. As a matter of fact, the situation in the United States at that time was very uncertain, because, as my honourable friend remarked, there were apparently two completely diverse points of view in the United States with respect to the pilotage that would be required on the Great Lakes. The State Department apparently took the same view as our own authorities, that pilots would be necessary only in the designated waters, that is, in straits and other dangerous places, but that it was quite useless to provide for pilots in the open waters of the Great Lakes where there is clear navigation in many cases for hundreds of miles. On the other hand, the United States Coast Guard organization took a completely different view, and at that time we were informed it was quite likely that the United States Congress would follow its view, which was that there should be pilots on every ship traversing the Great Lakes from one end to the other all the time—not only one pilot, but two pilots. Our Government took a very dim view of that suggestion because, as honourable senators realize, it would have involved an enormous increase in the cost of operating vessels, say from Montreal to Chicago, if you had to have a full staff of pilots for that whole trip, including the open waters of the Great Lakes. Well, since that time, as my honourable friend has explained, the United States Congress has come round to the view that was always taken by our own Department of External Affairs and by this Parliament, that pilots were in fact required only in these particular designated waters; and as my honourable friend has said, that is provided for in this bill.

There is another reason why this bill is —I do not say an improvement upon the

bill introduced early in 1959, but one that I think will be more easy to carry through this Parliament. That reason is that the 1959 bill included some completely extraneous matter having nothing to do with pilotage on the Great Lakes—

Hon. Mr. Aseltine: Treaty matters.

Hon. Mr. Hugessen:—introduced by the Government to alter conditions on the lower St. Lawrence which had existed for many years. Honourable senators who attended the meetings of the Standing Committee on Transport and Communications at that time will recall that during the many days of meetings of that committee we had an audience sitting in the back of the room, a large number of these pilots who operate the ships not only between Montreal and Quebec but between Quebec and Father Point, who raised very serious objections to what was proposed at that time in that bill. As honourable senators will see, there is nothing of that sort in the present bill, so the general conditions for the passage of this bill from those two points of view are much better than they were in respect to the bill we considered last year.

My honourable friend referred to certain representations that were made on this bill before the committee of the House of Commons. I understand that there are still some representations to be made by various interested parties before us.

Hon. Mr. Aseltine: Oh, are there?

Hon. Mr. Hugessen: And I assume my honourable friend proposes to send the bill to committee, where those representations can be heard.

Hon. Mr. Aseltine: I did not know there were any other representations to be made, but if there are, under the circumstances—

Hon. Mr. Hugessen: I am advised that some of these people intend to propose an amendment which is acceptable to the Government. That is only private information. Anyway, I think we should be in a position to hear representations, if indeed anyone wishes to be heard.

Hon. Mr. Aseltine: In that event, would it not be possible to give the bill second reading today, and have it go to the committee tomorrow morning? Or would that be too soon?

Hon. Mr. Hugessen: I understood the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) wishes to speak on the bill. I do not know if he is ready to proceed this afternoon, but if he is we could probably arrange to have a meeting of the committee on Transport and Communications tomorrow.

Hon. John J. Kinley: Honourable senators, it was suggested to me that I speak on this bill. However, I saw the bill only at noon today and know little about it, except that it refers exclusively to the lakes. I come from the Atlantic provinces, and of course I am not directly interested in the subject-matter of this bill. I think it is generally conceded that it is a necessary bill. Last year we dealt with a similar bill at extended meetings of the Transport and Communications committee, and although we passed the bill in committee and in this house it was rejected in the other place, on the ground that it was considered to be premature and that the Americans were not ready to agree to what we had done. The Americans were in favour of compulsory pilotage on the Great Lakes, but they were largely controlled by their marine service on the lakes. It appears that they have now come to the conclusion that they will agree with us and allow compulsory pilotage in the restricted areas of the Great Lakes, and that on the open waters of the Great Lakes the captain, if he has special qualifications, may pilot his ship, but if he lacks such qualifications it will be necessary to have a pilot on board.

Hon. Mr. Hugessen: Or an officer who is qualified.

Hon. Mr. Kinley: He will have on board a registered pilot to give him advice. Under Canadian law I think the captain is master of his ship, and he will keep control of his ship notwithstanding that a pilot is on board.

Hon. Mr. Hugessen: I do not think it need be a pilot; he can have an officer on his ship.

Hon. Mr. Kinley: Yes, if he has an officer who is qualified he need not have a pilot. But that officer must know English, because communication is maintained by radio telephone along the St. Lawrence Seaway and on the Great Lakes. He must possess also a knowledge of local rules and conditions for sailing on the lakes. The pilotage requirements apply only to ships of 250 gross tons or more.

One point mentioned was that lakers do not require a pilot. I do not know just what is meant by lakers, but they are probably large ships operating in the lakes. However, information as to this will be available in commitee.

The bill provides that Canadian pilots are to come under the Civil Service of Canada, whereas American pilots will operate under private enterprise. I am not quite sure how that arrangement will work out in regard to the rights of Canadian pilots, but information on this also can be obtained when the bill is in committee.

The fact of the matter is that the Americans want rights in our waters and we are to have rights in their waters for our pilots. There has to be reciprocity, and we cannot have reciprocity until the agreement has been concluded, which will not be done until this concurrent legislation is passed. I am quite sure that it will be passed, so there is no need to worry on that score.

Another point I wish to mention is that I am sure the shipowners and the people of Canada are vitally interested in the costs of operating through our waterways. We are told that the cost of operating on the waterways is quite high. These are further matters that will be brought out in the committee.

Last year there was considerable discussion about the pilotage districts of Quebec and Montreal. However, this bill excludes those districts altogether. For that reason I do not believe there will be as much contention from that part of the country as there was last year when the other bill was before Parliament.

We must have reciprocity with the United States for pilots on the St. Lawrence waterway. I think it should go further and that we should have reciprocity in their ports. American ships have more privileges in our ports than we have in theirs. For instance, an American ship can load in one port and go to another port in this country, whereas a Canadian ship does not have the same privilege on the American side. These are things that should be pressed for settlement in the future.

I think this bill is a step toward co-ordination, and at the same time toward the protection of the Canadian merchant marine, which is in a sad condition at this time.

The bill does not contain any provision for termination of the agreement. As I understand it, the Americans will do certain things as long as we do certain things. However, this is only a beginning.

Wide powers are given to the Government to make regulations by order in council. I will say that the Government must have wide powers in matters of this kind, because conditions change fast and we are here dealing with a foreign country. Statute law is almost too static to govern matters of this kind successfully.

Let us hope that this bill will be passed by Parliament, that it will be a good workable bill, and that it will impress the Americans. The record of our discussions in the Transport and Communications Committee last year must have impressed them.

Hon. W. Ross Macdonald: Honourable senators, I am pleased that the bill is to be referred to committee today. While the discussion was going on I was wondering what provisions for pilotage are at present in effect along the St. Lawrence deep waterway and on the Great Lakes. Apparently no mutual provisions are in effect at the present time. Nevertheless, the ships seem to be proceeding satisfactorily.

Hon. Mr. Aseltine: There are some, but at the moment I cannot tell you what they are.

Hon. Mr. Macdonald: There is no mutual arrangement; that is to say, there is not in the two countries any reciprocal legislation on this matter.

I notice that this measure will come into force on a date to be fixed by proclamation of the Governor in Council. I think it is in the interests of both countries that the bill should come into effect as soon as possible, and that is why I am pleased that the bill is going to be studied by the committee right away.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Aseltine, bill referred to Standing Committee on Transport and Communications.

Hon. Mr. Aseltine: Honourable senators, we shall try to arrange for a meeting of the committee tomorrow morning at 10.30.

FREIGHT RATES REDUCTION BILL

SECOND READING

Hon. Fred. M. Blois moved the second reading of Bill C-81, to amend the Freight Rates Reduction Act.

He said: Honourable senators, before I attempt to explain this bill may I be permitted to express my thanks to the honourable senator from Kings (Hon. Mr. McDonald) for the very kind remarks he made regarding the two senators from Nova Scotia who have been appointed to this honourable body during the present year. He made special reference to the honourable senator from Cape Breton (Hon. Mr. MacDonald). I may say that I have known the honourable gentleman for many years and had the privilege of knowing very well indeed his late father, who was a member of the Harrington cabinet in Nova Scotia in the thirties. Thus our new colleague has been well trained in strict Tory ideals, which I realize serve well in this house, and I am sure that he will carry out his duties in a completely non-partisan manner. On behalf of every Nova Scotia senator—and I believe I can say of all senators—I welcome him here. I wish to say to him that if he receives the very kind consideration and support that

I have received from all members of this chamber he will find his stay here most happy indeed.

Honourable senators, I will now deal with Bill C-81, which is an act to amend the Freight Rates Reduction Act.

This bill is a measure to extend the provisions for freight rate reductions contained in the Freight Rates Reduction Act that was passed last year by Parliament, and known as Bill C-38. The bill received first reading in the Senate on May 19, 1959, and second reading on June 9, after which it was referred to the Standing Committee on Transport and Communications. This committee examined the bill thoroughly and reported the same without amendment on June 17, 1959, and it received third reading on June 18.

For the benefit of the new senators and to refresh the memories of all honourable senators, perhaps I should give a brief resumé leading up to last year's Bill C-38.

The Railway Association of Canada and certain of the member companies applied to the Board of Transport Commissioners for permission to increase rates by 17 per cent, covering class and commodity rates, which are non-competitive, including rates by joint rail-water routes. This increase was authorized by the board on November 17, 1958, by its Order No. 96300.

The decision of the board was appealed by eight provinces to the Governor in Council, and while the Governor in Council recognized the need of the railways for the additional revenues which would thereby be attained, and did not disallow the increase, it was the view of the Government that a means of granting some relief from the increase should be devised.

As an interim measure designed to alleviate the burden of the authorized increase in rates the Government last year introduced Bill C-38, which provided for a subsidy not to exceed $20 million over a 12-month period to be paid to the companies that were subject to the board's Order No. 96300, as reimbursement for such reductions in rates as were ordered by the board under its Order No. 98424, dated July 10, 1959 and effective August 1, 1959.

The rates to which the reduction applies are the normal class rates and commodity rates on which the 17 per cent increase was applied on December 1, 1958, and which were in effect when the act came into force.

Class rates are the maximum rates that the railways can charge, and they apply to about 8,000 articles in the Canadian freight classification. High-class manufactured articles are the principal articles shipped at class rates.

Commodity rates are lower than the class rates; they apply on bulk commodities and other articles which are shipped in large quantities, such as steel, sand and gravel, lumber, pulpwood, fruits and vegetables, ores, cement, woodpulp, newsprint paper, canned goods, sugar and so forth.

The reduction does not apply to subnormal rates which the railways have been compelled to publish by the force of competition, such as competitive rates and agreed charges. The reduction also does not apply to the statutory Crowsnest Pass grain and flour rates, nor to international rates between Canada and the United States, nor to export and import traffic which is carried at lower rates in competition with United States ports.

Honourable senators will be interested to know the reductions in freight rates that were accomplished under the legislation. The board requested the companies to reduce, effective August 1, 1959, the 17 per cent freight rate increase to 10 per cent on the rates affected.

Some honourable senators may be wondering how the Government arrived at the amount of subsidy of $20 million and the reduction in freight rate increase from 17 per cent to 10 per cent. In explanation, I would advise that the Railway Association of Canada was able to supply the Government with the figures showing the total revenue received from class and commodity rates the previous year under the old rates, and also the expected revenue that would be received by the 17 per cent increase on a similar volume of freight carried. Therefore, it was a relatively simple matter to figure that $20 million would allow a decrease from 17 per cent to 10 per cent. Subsequently, as figures of traffic actually carried became known, the Board of Transport Commissioners found that a further reduction of 2 percentage points could be made with the $20 million for approximately the last three months of the period, and this additional reduction was ordered by the board under Order No. 101055, dated April 27, 1960, effective May 2, 1960, which now reduces the 17 per cent rate increase to 8 per cent.

Honourable senators may be interested in the figures on which the board based the further reduction of 2 percentage points. The claims for reimbursement recommended by the board for payment for traffic carried by the Canadian National and Canadian Pacific in the first eight months commencing August 1, 1959 were approximately $6,500,000 for the Canadian National and $4,500,000 for the Canadian Pacific—a total of $11 million.

There is a time lag of about two months in the filing of claims by the companies, and the effect of the reductions on traffic

for the last four months of the period will not be known until several months later. It is quite possible that the reductions may fall somewhat short of using the whole of the $20 million, because actual traffic volume of the 12 months may differ from what has been estimated. As I have already stated, the initial 7 percentage points reduction was made principally on the basis of traffic estimates of the railways given in the 17 per cent case. The further reduction of 2 percentage points was made when it became apparent that actual traffic carryings of the kind affected would be less than had been estimated, for a number of reasons, including fluctuations in volume and kind of traffic, and also transfer of traffic to competitive and agreed charge categories.

As I have said, the reduction was for a period not exceeding one year, and it will expire on July 31 of this year unless provision is made for an extension. The purpose of this Bill C-81 is to extend the provisions of the Freight Rates Reduction Act for a further period not exceeding nine months from July 31. The amount of $20 million to reimburse the companies for one year's reductions is being increased by $15 million to $35 million for a period not to exceed one year and nine months.

The Royal Commission on Transportation is still engaged in its exhaustive investigation of the railway situation, and the relief that was provided by means of the Freight Rates Reduction Act is accordingly being continued by this bill.

As I have said, last year's bill was thoroughly examined by the Standing Committee on Transport and Communications. The principles and purposes of this bill are the same as those of last year's bill. I have indicated what has been accomplished to reduce freight rates under it and the reasons why the legislation is being extended, and I think I have explained the bill and its purpose fully, without taking up too much of the time of the Senate in doing so.

Hon. Gordon B. Isnor: Honourable senators, it would almost appear as though today is Nova Scotia day.

Hon. Mr. Brunt: That is a good kind of day.

Hon. Mr. Isnor: First, we heard the honourable senator from Kings (Hon. Mr. McDonald), who presented a fine picture of land use. We then had an interesting discussion of the Shipping Bill by the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley), and we have just heard an excellent speech by the honourable senator from Colchester-Hants (Hon. Mr. Blois).

Hon. Mr. Macdonald: And now we are going to hear from the distinguished senator from Halifax-Dartmouth (Hon. Mr. Isnor).

Hon. Mr. Isnor: I would like to join with other senators in extending a welcome from one Nova Scotian to the other Nova Scotians who have recently been made members of this chamber. I have known the sponsor of this bill, the honourable senator from Colchester-Hants (Hon. Mr. Blois), for between 40 and 45 years in a business way as well as in a political way. I have always found him an exceptionally fine person, both in business and on the other side of the fence in the political arena.

Like the honourable senator from Colchester-Hants, I too sat in the Nova Scotia Legislature with the father of the honourable senator from Cape Breton (Hon. Mr. MacDonald), who recently joined us. If the son is as good a man as the father was, then we have a very, very fine new senator.

Honourable senators, we have had the background of this bill fully explained to us, and I do not think I need to go over the various facts outlined, although, perhaps, I might be allowed to repeat one or two.

The bill was presented in the other house in June. It went to committee, was unanimously approved there, and received its third reading on July 18. As already stated, its purpose is not only to increase the amount of the subsidy by an additional $15 million, but also to extend the period from 12 months to not more than 21 months. That is the principle and the object of this bill.

When it was before the committee of the other place Mr. Knowles, one of the members of the Board of Transport Commissioners, appeared as a witness and gave figures to justify the request for this increased amount. He said that the railways had estimated that $281 million-worth of normal traffic would occur during the year 1959, and that 7 per cent of that is roughly the amount asked for. The honourable sponsor of the bill here (Hon. Mr. Blois) showed that the moneys required were in connection with class and commodity rates and not competitive rates.

I was interested in this, because in looking at the last annual report of the Canadian National Railways I find that 79.7 per cent of the total revenue came from freight. I read also that there has been a considerable increase in their freight revenue this year, and I wonder what further effect this assistance will have. It was also noticeable that while the Canadian railways were asking for this increased assistance with respect to freight rates the railways in the United States had made no such request. From a business point of view one would ask himself whether we are operating as efficiently as are the

railways in the United States. If anyone wonders whether I am correct in stating that there was no general freight rate increase in the United States, I may say that this statement is made in the report of the Canadian National Railways for 1959, on page 9.

While I certainly have no objection to this bill as it stands, it would appear that the C.N.R.—I am speaking particularly of the Government railway—might well look into its financing as it applies to freight rates. It has made extensive additions to its freight handling facilities, and today it is marshalling trains of 100 to 150 freight cars, and in some cases 200 freight cars, compared with trains of 50 or 60 freight cars of a few years ago. All that must naturally lessen the percentage of the overhead cost of doing business.

I am also wondering—and I cannot help saying this—what effect the St. Lawrence Seaway is having on the freight business of the Canadian National and the Canadian Pacific. As honourable senators will recall, the American railroads, at the time of the investigation when the St. Lawrence Seaway project was being introduced, wondered what effect it would have on their business, and they presented briefs protesting against certain of the toll charges because of their effect on their revenues.

These reports are always interesting to read, and it is to be noted that in 1959 the freight revenue of the Canadian National Railways was $28 million higher than in the previous year.

There was another point that struck me as I read the report with this bill in mind. That was whether we were getting a true picture of the financial position of the Canadian National Railways, taking into consideration the subsidies. I do not think in any part of the financial report you will see a credit against the freight costs of this amount of $20 million plus the additional $15 million. I bring that to your attention, honourable senators, so that if this bill is referred to the committee we might have that point brought up and an explanation given by the witnesses.

Paragraph 9 of the annual report of the Canadian National Railways for 1959 reads:

> Prominent among the company's efforts to provide better service to shippers was an expansion of facilities for the handling of piggyback traffic. Between Montreal and Toronto, the number of trailer-carrying trains was doubled, thereby providing shippers with two convenient departure times from each terminal.

I read that because I know the sponsor of the bill, like myself and others from the Maritimes, is particularly interested in better freight service to and from our part of the country. This clearly shows that the moneys being spent are to a large extent again being used in the central markets of Canada, particularly between Montreal and Toronto.

Honourable senators, the bill has been so clearly covered that I do not think I need add anything, except that the freight revenue per ton per mile of the C.N.R. in 1959 was the second highest since 1935, a period of 25 years. Only once did we have a higher freight revenue per ton per mile than we had in 1959, and still our railways come before the Board of Transport Commissioners and ask for an increase of 17 per cent. I quite appreciate why the Government hesitated to grant this 17 per cent increase, and I think it should be looked into further before it is put into effect.

I would ask the honourable senator who sponsored the bill (Hon. Mr. Blois) whether it will be referred to the Standing Committee on Transport and Communications.

Hon. Mr. Blois: That is my intention.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Blois, bill referred to the Standing Committee on Transport and Communications.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP— DEBATE CONTINUED

The Senate resumed from Tuesday, July 5, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

> 1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through
>
> (a) the progressive reduction of our costs of living and production; and
>
> (b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.
>
> 2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. Calvert C. Pratt: Honourable senators, the subject of Canada's future participation in reciprocal trade agreements is of vital

importance to us. These agreements are taking on new forms among many countries of the world. The newest form, and what is now before us for consideration, is the grouping of countries with the main objective of establishing free trade between themselves.

The two groups in Europe, the Inner Six and the Outer Seven, as they are termed, are in all probability the beginning of world-wide movements of such groupings.

By introducing this subject in the Senate the honourable senator from Shelburne (Hon. Mr. Robertson) rendered a very valuable public service. I hope there will be a continuation of interest in this matter, not only in this chamber but throughout the country generally. We have had many speeches here which have reflected a close study of this subject, and I think we can say we have at least made a beginning in establishing public interest in this very vital movement.

There is a great need for highly specialized research and study into this whole matter, and no time should be lost in formulating and promoting a national policy in Canada for our international trading. There are many vital issues involved which affect people in all branches of industry and citizens generally. I think more publicity should be given throughout the dominion to this movement which is going to affect world trading relations, and which naturally has a distinct bearing on the livelyhood of people in Canada and everywhere else.

I am aware that we have not been standing still on these matters of foreign trade relations. Our Department of Trade and Commerce, through its officials at home and abroad, has been negotiating agreements of one kind and another throughout the years. It is not my purpose now to review the operations in the various organizations with which Canada is associated. I shall, however, mention something about one or two of them.

A feature of the charter of the United Nations Organization in 1945 was the setting up of special agencies for development of international trade. Probably the most outstanding one that came into being at that time was the General Agreement on Tariffs and Trade, known as GATT. In 1949, when NATO was formed, the second article of the treaty sought to eliminate conflict over international economic policies and to encourage economic collaboration. As we know, that did not work out very effectively, but GATT has at least faced up better to its objectives, notwithstanding the many waivers to its provisions, which are sometimes called the escape clauses. I think the person who originated that term should go down in history as one of the world's great compromisers. However, GATT has done some effective work and in recent years it has been helpful in increasing trade between Canada and the United Kingdom and other countries. The committee of GATT holds meetings twice a year, generally in Geneva, but the last time it met in Tokyo. These constant meetings of GATT do help in clarifying the trading problems of many countries.

It is generally conceded that the Common Market policy of European countries is not by its nature contrary to the provisions of GATT. It is of extreme interest to us all, I am sure, that a committee representing 21 countries, including those of the two European groups, as well as Canada and the United States, is working to reconcile the competitive interests of these European groups. The conflicting interest cannot be reconciled, however, without very close and continuous relationship being maintained on a wide international basis. For instance, the members of the Group of Six are working together toward closer political ties as well as trade connections, but in the Group of Seven the future political relationship is not a predominant factor. The matters of trade are the sole consideration at the present time of the Group of Seven.

Then again the Six are to have a common agricultural policy. The Seven do not now envisage this possibility, but if they should later do so it will cause a lot of concern in this country and the United States.

For the purpose of the record, I should mention the countries comprising these two groups. The Inner Six consists of France, Germany, Italy, Holland, Belgium and Luxembourg. The Outer Seven consists of the United Kingdom, Austria, Denmark, Norway, Portugal, Sweden and Switzerland.

A recent report from the Washington correspondent of the *Financial Post* states that Canadian and United States farm products might be adversely affected because of the new protectionist proposals now being considered by the Inner Six. In this connection, the United States has $1 billion of farm products at stake and Canada has $200 million. It is only natural in this day of national trade barriers, with the United States and Canada being leaders in artificial protection to industry, that counter-protection is being set up. The correspondent went on to say—and this is the gist of his remarks—that as it stands now, if some of the proposals within the Common Market group are implemented they will drastically affect United States and Canadian exports of wheat, feed grain, tobacco, salted fish, and other products.

The trend toward economic integration among the free nations of Europe will have a very great significance to Canadian trade,

involving as it does a European population of about 300 millions. This is one of the changes of thought and relationship among nations which just cannot be ignored by any nation, and probably least of all by Canada.

We think of the United Kingdom as one of the outstanding international trading countries of the world, and so it is. The relative importance of foreign trade to Canada is very similar to that of the United Kingdom. In 1958 Canadian exports amounted to the equivalent of 15.5 per cent of our Gross National Product. In the United Kingdom exports equalled 14.8 per cent of the G.N.P., only fractionally less than that in Canada. Canada's imports amounted to 15.9 per cent of G.N.P., and those of the United Kingdom to 16.7 per cent.

It may be of interest to mention a comparison of Canada's foreign trade in 1958 with that of the two groups of European countries which are under consideration in this matter. In relation to the Gross National Product, the export value of the Common Market Group of Six was 18.5 per cent, and of the Outer Seven, including Great Britain, 19.1 per cent. The value of imports of the Inner Six was 20.1 per cent, and of the Outer Seven, 24.4 per cent. Canada's dependence on foreign trade is therefore not very dissimilar from that of the European countries concerned. The fact that those countries see the urgency of the need for cultivating a freer trade among themselves, and ultimately free trade, should certainly be of great significance to us. A fact of tremendous importance in this matter is that commodity exports account for about $300 of the *per capita* income of Canadians.

Now, where should we look for the most helpful trading associations? Perhaps in many places. One thing we can be sure of is that higher and higher tariff walls and restrictions under such measures as revaluations to impose dumping duties, and so forth, will, in sum total, catch up on us and become a national poison.

By no means can we pass over the need for cultivating closer mutual trading relations with the United States. I know we feel frustrated at times by the attention given by Washington to the clamour of trade interests which would clamp down on many of our products going there. We should not, however, allow our impatience to influence us against a long-range policy of working more closely together. We are so much more dependent on foreign trade than is the United States that we should plug harder and harder to get closer to it in trade matters. That country has a population ten times ours and a far greater variety of products than we can hope to turn out, because of differences in climate and natural resources. The dependence of the United States on export trade is far less, because its exports total the equivalent of only 3.7 per cent of total national income, while ours is 15.5 per cent; and its imports are only 2.9 per cent, compared with our 15.9 per cent.

At this time it is most important to have the views of organizations and persons most qualified to speak from experience —and I repeat "from experience"—on the grouping of European countries for their foreign trade development. We know the thinking from the British side pretty well, because Great Britain is a participant in this grouping, although she has a great fear that two rival groups of Europe may develop. Lord Dudley Gordon, a past president of the Federation of British Industries, speaking in Montreal recently, made an appeal for Canada and the United States to avoid taking sides with one unit against the other. There is reason, he said, to be hopeful that a basis for unity between the two will be found. The alternative to unity will be the loss of many of the uncommitted countries of the Free World to Communism. The uncommitted countries, he said, can only be kept free by a united Europe, supported by Canada and the United States. He is reported to have expressed strong views on the great help the United Kingdom will derive from being able to negotiate foreign trade in co-operation with other countries of Europe.

What is the thinking in the United States on this matter? Because of our economic ties, that is of the very greatest importance to us in Canada.

Recently, a close examination of this European movement was made by top-level organization in the United States and I found its report on the Common Market project most interesting. I feel that some quotations from that report will be interesting and helpful to us in this important world issue. First, I shall tell you of the organization itself. It is the Committee for Economic Development, whose members are men right at the top in all branches of industry, banking and insurance, as well as in appropriate departments of universities and welfare organizations. Their committees on International Economic Policies, as well as on Research, number over one hundred persons, most of whose names and the organizations they represent are familiar to us all, and in fact are known throughout the world. It can be regarded as a most authoritative body to advise on matters relating to national economic policy of the United States. Their enumeration of some of the main provisions of the Common

Market Agreement I shall mention as a useful background for their findings:

(a) Tariffs, quotas and other barriers to trade among the Six will be gradually eliminated over a twelve- to fifteen-year transition period.

(b) Over the transition period a uniform tariff schedule will be created by the Six to apply to imports from the rest of the world.

(c) Restrictions on the movement of services, labour, capital and business enterprises among the Six are to be abolished and payments are to be freed.

(d) The members are to co-ordinate monetary and fiscal policies.

(e) A common agricultural policy is to be established.

(f) Two Investment Funds are to be established, one to operate in Europe and the other to operate in the colonies and associated territories. They are intended to channel capital from the more advanced areas to the less developed regions of the community and its dependencies.

(g) A Social Fund is to be established to relieve possible economic injuries to workers resulting from trade liberalization.

They also enumerate the main features of the Outer Seven agreement to explain the differences between the two European organizations. While their findings as to the principles involved are most favourable, they do not by any means discount the difficulty of reconciling some of the conflicting interests.

I shall now quote from their report which was recently published and which gives some conclusions arising from their investigations. The report is contained in a book entitled *The European Common Market and its Meaning to the United States.*

(1) The European Economic Community is one of the most important undertakings of the twentieth century, and its establishment could be a watershed event in history. It could be the first step in a major new advance towards freer economic exchange, or it could be a step toward the creation of new regional barriers, more dangerous and more durable than present barriers.

(2) A great contribution of the Common Market may be that it forces us to re-think current doctrines and current practices for the organization of world economic relations. It has become increasingly doubtful whether present doctrines or practices are realistic.

(3) We do not have, and we badly need, a realistic philosophy for a world in which the relations among national economies are not determined and cannot be expected to determine entirely by the operation of free international markets in goods and capital. The newly established European Common Market, and the difficulties encountered by way of extending some of its features to the rest of Western Europe, illustrate the need for a new philosophy.

(4) The objective of the Common Market is to increase the efficiency and raise the income of the area chiefly but give greater scope to competition. We are confident that this objective will be achieved. To the extent that it is achieved, the rest of the world will benefit.

(5) The most constructive way to tie the Common Market into the world economy would be to reduce world barriers to trade substantially. To take the initiative in such a move should be the main responsibility of the United States to the Common Market.

I think that is a most significant remark coming from, as I say, one of the outstanding organizations in the United States competent to speak on this matter. I will take the liberty, honourable senators, of making a few further quotations which I think are applicable to this. The report continues:

(6) Nothing would be more valuable in preventing the new economic regionalism from degenerating into a new economic isolationism than a new United States initiative for the reduction of trade barriers.

The chief lesson of the Common Market may be that it shows us once more and dramatically that the world is in motion—on the economic front as on others. Our responsibility and our policy should be directed to the increase of opportunities for other nations to achieve development within the framework of a free world trading system. To the extent that we are able to do this we increase the likelihood that other nations will choose the route of multilateral trade rather than protectionism. Access to the United States market can be the link holding the free world economy together.

The quotations which I have just read do not by any means cover the whole range of recommendations, as well as the reservations, in the report. They do, however, in my judgment, give an overall view of where very prominent figures in industry and professions in the United States stand on this issue.

With respect to our own position, I personally feel that those conclusions are sound and in principle can be regarded as applicable to Canada. The movement of economic grouping of nations at this stage represents a very distinct world trend. We should unquestionably keep in very close association with that movement, bearing in mind that an interlocking of economic relations of the countries of the free world is of vital importance in this day and generation.

At this time also we should not lightly pass over existing arrangements for simply an ideal of future relationship.

While, as I say, Canada should keep in very close with these grouping-of-nations movements for the promotion of trade in Europe or elsewhere, we must first of all continue to develop our existing trade relations to the greatest possible extent through mutual tariff concessions and other means. I cannot think of any area where those relations are more important than right on the North American continent, with the United States and also with certain of the commonwealth countries in the East and in the West, where through generations a favourable atmosphere has been created.

The honourable senator from New Westminster (Hon. Mr. Reid) said recently, in speaking on this subject, that because of the distance from coast to coast the cultivation of trade in the Pacific areas is of vital importance to the western provinces, as is the trade in the Atlantic regions to the eastern provinces. That is undoubtedly true, in terms both of imports as well as exports. As an example, I might say that were it not for the sales to the West Indies, thousands of Newfoundland fishermen would have to discontinue fishing.

I am sure we are all interested in the recent statement of the Honourable the Minister for External Affairs that a Latin American division is being set up in his department, and that at the forthcoming conference of the Organization of American States an observer will be present from Canada. I entirely agree with his opinion that we should develop a broader Western Hemisphere outlook than we have at present.

Within our Department of Trade and Commerce there has been built up over the world a most valuable organization for the servicing of Canadian trade internationally. The degree of success that organization can achieve depends chiefly on the situation within Canada itself. It depends also on the attitudes within Canada.

The loudest voices we hear in Canada today are voices of fear. I say this very deliberately —they are voices of fear. We fear that if we do not keep on piling up higher and higher tariffs our manufacturing industries will suffer. But industry is bound to suffer if there is an increasing fear of competition. Competition should be welcomed as the greatest stimulus to efficiency, enterprise and resulting employment.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Pratt: That is not a visionary outlook. It is a realistic one, because behind closed doors, locked up with high tariffs, industry can just fall asleep. Within industry, both management and labour simply must co-operate more closely to keep costs more competitive with other countries than at present. That co-operation is essential for the very existence of our foreign trade as well as for the advancement of our domestic economy.

We should be able to forget the term "secondary" as it is applied to industry. We are in the habit of attaching that word to industries which produce articles chiefly for local use because they are made from imported materials. Some of the greatest exporting countries in the world use mainly imported materials in their manufacturing. The real answer to the unemployment problem is the development of industries that will market their products in more countries of the world. The answer is certainly not to keep more and more products out of this country; such a policy will compel us to export less and less.

The voice of fear over the amount of investment capital coming into Canada seems to be getting louder and louder. Where would we be now without the previous inflow of foreign capital? We can well ask ourselves, how far down the economic drain will we flow in the future without it? Foreign investment capital is behind the great development of our mineral, forestry and other natural resources. Some of our very largest manufacturing industries came about that way. We often forget that along with the flow of capital into Canada comes the result of industrial research and of modern methods which have cost billions of dollars to create in other countries of the world. Without it industry could not even get a start. Industrial research is now causing greater changes in manufacturing industry than ever before.

I would mention one other such fear. It is the fear of coming under the economic domination of the United States. That is the most meaningless fear of all. Our neighbour has ten times our population, it is true, but I think that is all in our favour. Let us try to share in their wealth and prosperity and take a pride in growing up alongside them.

As I said in the beginning of this talk, the world is changing. The economic outlook of countries over the world is changing rapidly. Only a few years ago the economic grouping of countries such as is now taking place was not even dreamed about.

Canada, with its great resources and its vast expanse for future development, has everything to gain by gearing itself to a wide and practical participation in these economic relationships.

On motion of Hon. Mrs. Fergusson, for Hon. Mrs. Inman, debate adjourned.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 21, 1960

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

Prayers.

CANADA SHIPPING BILL

REPORT OF COMMITTEE

Hon. A. K. Hugessen, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-80, to amend the Canada Shipping Act, and had directed him to report the same to the Senate without any amendment.

Report adopted.

Hon. W. M. Aseltine moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

FREIGHT RATES REDUCTION BILL

REPORT OF COMMITTEE

Hon. Mr. Hugessen reported that the Standing Committee on Transport and Communications had considered Bill C-81, to amend the Freight Rates Reduction Act, and had directed him to report the same to the Senate without any amendment.

Report adopted.

Hon. Fred M. Blois moved that the bill be placed on the Orders of the Day for third reading at the next sitting.

Motion agreed to.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Tuesday next, July 26, at 8 o'clock in the evening.

Motion agreed to.

ATLANTIC COAST

AIRCRAFT AND VESSELS AVAILABLE FOR SEARCH AND RESCUE DUTIES

Hon. Donald Smith inquired of the Government, pursuant to notice:

1. How many aircraft and vessels in each department of government were available for air-sea search and rescue duties, on the Atlantic coast, in—

(a) 1957; and

(b) 1960?

2. What change, if any, has been made since 1957 in the terms and conditions of the "coast guard" service, on the Atlantic coast, rendered by these vessels and aircraft to fishermen in distress at sea?

3. What change, if any, has been made since 1957 in the communication system, on the Atlantic coast, with respect to search and rescue operations?

Hon. W. M. Aseltine: Honourable senators, I have received the following answers to this inquiry:

Answer by Department of Fisheries:

1. With reference to Part 1 of the question, all vessels operated by this department on the Atlantic coast, subject to their capabilities for such work, are available. In 1957 in the Maritime provinces, the department operated 24 vessels and in Newfoundland 12. In 1960 in the Maritimes area 26 vessels are being operated and in Newfoundland 13.

In Newfoundland the department also charters helicopter and aircraft services for transportation. If these facilities were required, they could be made available through the authorities responsible for search and rescue.

2. No information.

3. No information.

Answer by Department of Mines and Technical Surveys:

1. The Canadian Hydrographic Service had 6 vessels operating on the Atlantic coast in 1957 and in 1960. This number included 2 chartered vesels in 1957 and 3 in 1960.

2. The only significant change of which this department is aware is the appointment of Marine Co-ordinators to instruct Government ships in search and rescue procedures, check necessary equipment and make recommendations.

3. There has been no change in the communication system on the Atlantic coast. The hydrographic vessels report their positions to the Maritime Commander, Atlantic, usually on a basis of once per week when remaining in a particular area and oftener or as required when a change is made in the area of operations.

Answer by Department of National Defence:

1. (a) 1957	(b) 1960
3 Canso	2 Canso
2 Dakota	2 Dakota
3 Otter	4 Otter
1 Helicopter	2 Helicopter
3 Lancaster	3 Lancaster

Ships of the Royal Canadian Navy located in distress areas are called in when required to assist in search and rescue operations.

2. To be answered elsewhere.

3. Since 1957 the R.C.A.F. has improved the high frequency communications facilities at Halifax. A similar improvement program is underway at Torbay and will be completed by September 1960. A voice liaison telephone circuit has been installed between the Halifax Rescue Co-ordination Centre and the Boston Search and Rescue Control Centre. This circuit in turn gives access to other communications systems serving the Atlantic seaboard and facilitates co-operation between Canadian and American search and rescue services.

Answer by Royal Canadian Mounted Police:

1. (a) One aircraft and 4 vessels suitable for deep sea search and rescue, and one aircraft and 5 vessels suitable for coastwise searching.

(b) One aircraft and 4 vessels suitable for deep sea search and rescue, and one aircraft and 5 vessels suitable for coastwise searching.

2. No information.

3. No information.

Answer by Department of Transport:

1. (a) In 1957, there were 7 Department of Transport ships normally available for search and rescue duties in the Eastern area. From time to time any one of 6 other ships based on Quebec might be in the Eastern area and available.

(b) In 1960, there are 10 Canadian Marine Service ships normally available for search and rescue duties in the Eastern area. From time to time any one of 7 other ships based on Quebec might also be in the Eastern search and rescue area and available.

2. A Marine Co-ordinator for Search and Rescue took up his duties on the east coast in June, 1960. This officer is now actively engaged in surveying the situation and making recommendations for improving the marine arrangements. This officer, though an officer of the Department of Transport on the staff of the Director, Marine Operations, will co-ordinate the search and rescue work of all Government-owned ships.

3. To be answered elsewhere.

DIVORCE

MOTION FOR AMENDMENTS TO RULES—WITHDRAWN

Hon. Arthur W. Roebuck moved, pursuant to notice:

That the Rules of the Senate be amended as follows:

1. Rule 107. Strike out "of any nature whatsoever" and substitute "other than Bills of Divorce".

2. Rule 136. Strike out Rule 136 and substitute the following:—

"136. Every applicant for a Bill of Divorce shall give notice of his or her intended application in accordance with subjoined Form A, and shall specify therein from whom and for what cause divorce is sought."

3. Rule 137. Strike out "two months" and substitute "one month".

4. Rule 139. 3. (e). Strike out "thirty days" and substitute "fifteen days".

5. Rule 141. Strike out "by the evidence of the publication of the notice as required by Rule 136, and".

6. Form E, paragraph 5. Strike out "thirty days" and substitute "fifteen days".

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

Hon. Mr. Brunt: No.

Hon. Mr. Roebuck: Honourable senators, evidently there is some objection to adoption of this motion. There are just two comments I wish to make prior to any questions that may be asked or any remarks that may be made by other honourable senators.

First of all, may I say that I am endeavouring to clear this matter with the other house and I do not think there will be any difficulty in that regard.

Hon. Mr. Aseltine: Has the honourable senator considered Rule 96 of the House of Commons with the appropriate people in that house?

Hon. Mr. Roebuck: Yes.

Hon. Mr. Aseltine: Their Rule 96 appears to be exactly the same as our Rule 107.

Hon. Mr. Roebuck: Yes.

Hon. Mr. Aseltine: Both deal with publication of notices of applications to Parliament for private bills generally, whether introduced in the Senate or the House of Commons. What concerns me is whether we should change the rule at all with regard to publication in the *Canada Gazette*. I would like the honourable gentleman to deal with that in his remarks.

Hon. Mr. Roebuck: I assume that is only as to publication in the *Canada Gazette*. I see no real purpose to be served by such publication. It has no purpose as an index of what we do, for we publish in our statutes a list of all the divorces we grant, and our Committees Branch has a thorough index of all the cases, their records, and so on. I do not see that any advantage is gained by publication of notice in the *Canada Gazette*.

Now, some questions have been asked during the interval with regard to notice to the respondent. I cannot say that we never proceed without notice to the respondent, but I can say that practically we never do. The only time there is any waiving of the regulation that the respondent must be notified is when a husband or wife, most likely a husband, has been guilty of adultery and then disappears and the wife does not know

where he has gone. The very fact of his disappearance should not set aside our jurisdiction nor rob her of her right to a divorce on the ground of his marital offence. When such circumstances arise an application is made, which I usually hear in my own room, for permission to proceed without serving the respondent. In that case the practice, as in the courts, is to order that service be made upon everyone who is known to have any connection with the husband—as, for instance, his relatives, his father and mother, brothers and sisters, if they are known; persons at the last place where he boarded, his former employer, and every other person or place from whom or at which knowledge of his whereabouts might be obtained.

Hon. Mr. Macdonald: I suppose in a case of that kind if you deemed it advisable you might order an advertisement?

Hon. Mr. Roebuck: I was going to say that, and if advertising was not required under the rules of the other house that would be the natural order to make. I submit that in such an unusual situation the house may very well rely upon the common sense of the officials who are running this "divorce mill". The chairman usually handles that kind of thing as an interlocutory matter, that is, something which precedes actual trial, and a report is made to the committee as to what happened. There is always a record kept on file, and it is brought before the subcommittee that hears the evidence, so there is no likelihood at all of a bill of divorce being passed without the respondent having due knowledge of that fact. It is only on a very, very rare occasion, when circumstances such as I have described arise, that an order is made to permit proceedings to continue without service upon the respondent. I thought this was very fully discussed on the last occasion. I have nothing further to add at the moment.

Hon. William R. Brunt: Honourable senators, I am strongly opposed to this motion. If the motion passes in its present form, one set of rules relating to divorces will be applied in the Senate and an entirely different set of rules on this particular matter will be applied in the House of Commons. That will lead to confusion, since every petitioner will be in doubt as to which set of rules he should comply with. Should he comply with the amended rules of the Senate, or with the present rules of the House of Commons? I feel that the proper course to pursue is for our Divorce Committee to meet with the Private Bills Committee of the House of Commons and agree on any changes that both committees consider necessary. In that way the rules of the two houses would remain uniform, and I think it is most important that they should.

I am sorry to have to disagree with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) with respect to publication of the notice in the *Canada Gazette*. At first I was of the opinion that publication in the *Canada Gazette* might be dispensed with. However, I do not feel this way now. If honourable senators will make inquiries they will find that the *Canada Gazette* is distributed right across Canada and is read rather extensively. People in every province get the *Canada Gazette*. If anyone is interested in a divorce bill that is where he will find the notice published. It is in this publication that he will read about it. A person in British Columbia, northern Alberta, or Saskatchewan in all probability will never read a notice published in a Montreal newspaper or in a Newfoundland newspaper, but there is a definite possibility that he will read it in the *Canada Gazette*.

I do not think we should dispense with the publication in the *Canada Gazette*, but even if we decided to do so it would still be necessary to publish notice of the petition in the *Canada Gazette*, under the rules of the House of Commons.

Under the next proposed amendment the interval between the service on the respondent and co-respondent and the consideration by the committee would be shortened from two months to one month. With this I do not agree. I think an interval of two months is quite short enough. If we keep on in this way it will be so easy to apply for a divorce here that we shall probably end up with 2,500 petitions in a year, equal to the annual number of divorces granted in Ontario. We are making divorce easier and easier, and I do not think we should do that. We have a good set of rules here and I think we should keep them and follow them.

Let us look at what might happen if we agreed to the proposal that the period within which notice of opposition must be given shall be reduced from 30 days to 15 days. A respondent in northern Newfoundland or in Labrador or the Northwest Territories may have to be served, and I suggest that if the time is cut down to 15 days there will not be enough time to file an answer. Thirty days is a short enough period.

I think it would be a great mistake for this honourable body to make these changes since in my opinion they would only lead to confusion.

Hon. Mr. Thorvaldson: Is the honourable senator aware that there were only two divorce petitions from Newfoundland this year and none from the Northwest Territories?

Hon. Mr. Brunt: But it may be necessary to serve a party in these distant places. If there was only one case from Newfoundland my argument would still apply. If we change our rules there will be two sets of rules—one set in the other place and a different set in the Senate. Which set would be followed? Nothing would be gained by making these suggested changes to the rules.

If our Divorce Committee would sit down with the committee of the other place which considers divorce petitions there and go over the rules—maybe some others should be changed—and come up with a uniform set of rules, I think it would be more satisfactory for all who may be concerned with divorce.

Hon. W. Ross Macdonald: I wonder if the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) would consider holding this motion over and not proceeding with it today.

Hon. Mr. Roebuck: That would be agreeable.

Hon. Mr. Macdonald: I notice that Standing Order No. 95 of the other house provides:

> All applications to Parliament for private bills, of any nature whatsoever, shall be advertised by a notice published in the *Canada Gazette*; ...

Hon. Mr. Aseltine: Isn't that Rule No. 96?

Hon. Mr. Macdonald: It may be No. 96 now. I am reading from *Beauchesne's Parliamentary Rules and Forms*, third edition, in which it appears as Standing Order No. 95. The rule continues, under clause (C):

Paragraph (C) on page 287 of Beauchesne, reads as follows:

> When the application is for the purpose of obtaining for any person or existing corporation any exclusive rights or privileges or the power to do any matter or thing which in its operation would affect the rights or property of others: in the particular locality or localities in which the business, rights or property of others may be specially affected by the proposed act.

That would include applications for divorce.

It does occur to me that if we changed our rules in this house with respect to divorce, and in accordance with that change notice did not appear in the *Canada Gazette* and in the local newspapers, in such case some members of the other house might take the attitude that since its rules had not been carried out it should not proceed with the legislation. If that happened the divorce situation would be quite confusing.

Hon. Mr. Brunt: It would be intolerable.

Hon. Mr. Macdonald: For those reasons I would suggest that perhaps our honourable friend from Toronto-Trinity (Hon. Mr. Roebuck) should not proceed with this motion today, but should give us a little more time to consider it.

The Hon. the Speaker: The honourable Leader of the Opposition (Hon. Mr. Macdonald) could adjourn the debate.

Hon. Mr. Roebuck: I have no axe to grind in this matter at all. My only desire is to carry on the work of the committee effectively and well.

With regard to the likelihood of confusion, may I say that the rules which we adopt here apply to the hearing of cases here. It must be remembered that these rules are observed by lawyers, who are not easily confused in carrying on business of this kind, as members of the public might be. The rules which apply in the other house do not apply to us. So a solicitor who comes before us observes our rules, and when he goes before the committee on the other side he observes the rules of that house. There is no confusion in that respect, and there is no attempt to make our rules exactly the same as those of the other house from start to finish.

Hon. Mr. Brunt: May I ask a question? If the rules of the other place are left as they are, with respect to the lapse of two months for personal service and so on, what does a solicitor do? Does he comply with those rules?

Hon. Mr. Roebuck: He complies with our rules when he is before our Standing Committee on Divorce.

Hon. Mr. Brunt: But he would have to comply with the rules of the other place in order to get before the committee of that place.

Hon. Mr. Roebuck: No. When a bill passes this house it goes to the other house, where it is referred to a committee. There is certainly no attempt on the part of this house to tie our rules in with those of the other house. We are not the tail of their kite, by any means. It is sufficient if we do our work effectively.

With regard to the shortening of the time in which notice shall be given, it might happen that a person had to be served beyond the Arctic circle. If that happened, and that person did not have time to reply within the required period, we would hear him at any time up to the trial of his case. The suggestion of the 15 days' notice is in accordance with what courts generally allow.

If the respondent fails to file notice of contestation within 15 days we are under no obligation to serve him with the other papers. But if he gives us notice in any form whatsoever that he intends to contest the case, he may be heard right up to the last moment.

My honourable friend shakes his head. But I am stating a fact.

Hon. Mr. Brunt: If a layman received a notice which stated that he had 15 days in which to do something, and it was impossible for him to do it, what would his interpretation be? He would conclude that after the 15 days he was debarred from doing anything. He would not know of his own knowledge that the Senate Divorce Committee would allow him latitude with respect to filing an answer.

Hon. Mr. Roebuck: The courts do not allow as much as two months for personal service. They give 30 days, and we are suggesting a change accordingly.

Honourable senators, I do not wish to engage in a controversy with my friend with regard to our proceedings in the committee. If anyone objects to the proposals, I do not propose to push them. I am quite ready to delay the matter until we have resolved our differences, and in a matter of this kind we should be able to work them out amicably. If we are not unanimous in our decision, perhaps further discussion would be in order. There is nothing sinister about this matter on either side, and I am quite prepared to delay its consideration.

If it were possible to come to an understanding with those in charge of these matters in the other place, would my honourable friend be satisfied?

Hon. Mr. Brunt: Quite. If the two committees could get together and propose the same changes, I would be quite happy to go along with them.

I hope my honourable friend appreciates that there is nothing personal in my remarks in this regard.

Hon. Mr. Roebuck: I certainly do not look upon this as a personal matter. Indeed, I have no interest in divorce; I would be happy to be rid of it. My only interest is to try to do the job assigned to me—

Hon. Mr. Brunt: You are doing an excellent job.

Hon. Mr. Roebuck: —and I am sure that is the view of all members of the Divorce Committee.

I hope my honourable friend from Hanover (Hon. Mr. Brunt) agrees with my objections to the publication of the charge of adultery against people who may perhaps be entirely innocent, and who may come and prove their innocence before the proceedings are concluded. I think our course of action in this respect has been outrageous, and I wonder why we have tolerated it so long. These matters often run along year after year with no one paying much attention to them. But, in my view, it is time we stopped allowing a man who wants to spite his spouse to hide behind the Senate and charge her with adultery in the public press.

As to the proposed change for shorter notice, I believe it would help a little, but that is not a serious matter. What is serious is the publication of the charge of adultery. It does involve unnecessary expense but, much more than that, it is not in the public interest that we continue to insert in the public press applications for divorce. As I remarked the other day, I would like to advertise marriage as much as I can. I am sure anyone who thinks over this matter would not wish us to continue advertising divorce. The public press is printing too much about it now, as we note from what has been happening in recent days. Let us not be guilty of placing before those who read the newspapers more and more about divorce. That is not, I think, in the public interest.

So far as the *Canada Gazette* is concerned, I do not think advertisement there will serve any purpose, but let us continue it if that is the desire of the house. I feel it is a waste of money, but, as I say, I am not pressing my recommendation. I have no axe to grind or anything of that kind.

Hon. Mr. Aseltine: We know that.

Hon. Mr. Roebuck: What shall we do? Shall we adjourn the matter *sine die*?

Hon. Gustave Monette: Honourable senators, it is with much hesitation that I rise to speak against some of the conclusions or suggestions of the Chairman of the Standing Committee on Divorce (Hon. Mr. Roebuck). First, I should say, that the Standing Committee on Divorce enjoys a good reputation for fairness and honesty. I have been here for three years, and I have been interested to observe the processes and attitude of the members of this committee. I have had occasion to mention my satisfaction with the fairness and the prudence with which divorce petitions are studied by the committee, in whose work I cannot participate.

In view of the possibility that in the future there might be a study as to whether only one house of Parliament should deal with divorce petitions, I am profoundly interested in the maintenance of the good reputation of the Senate as a body dealing with those matters.

As to the allowance of 30 days for the filing of a reply by the respondent and co-respondent, I agree with what the honourable senator from Hanover (Hon. Mr. Brunt) said. Thirty days is not too long. In the province of Quebec, which is a large province, we allow six days in ordinary cases, but if people live farther than 50 miles away from the court house, or wherever the tribunal which is going to hear the case is sitting, an additional day is allowed for every additional 50 miles. That appears to me to be sound policy. As has been said, there are long distances in this country, and although people might go to some extraordinary expense in order to be on time, I think, generally speaking, it would not be fair to reduce that period of 30 days. I do not say the idea suggested is unfair in itself, but I do not think any period shorter than 30 days is sufficient.

I am much in favour of maintaining the requirement of publication in the *Canada Gazette*, because there is a substantial distinction between divorce proceedings and actions in separation as to bed and board. When we are considering actions in separation we are considering a matter that affects only the family concerned, namely, the husband and wife, and also their children, who are already aware of the situation or who will be made aware of it when they are old enough to know. No third party could possibly be affected. But when a marriage is going to be dissolved it may well happen—and it has happened, I think, many times—that a third party, a man or a woman, falls in love with a divorced person without knowing that that person is divorced. Of course, we cannot be sure that an advertisement in the *Canada Gazette* will become the common knowledge of everybody in Canada, but it seems to me that there is a very good chance that it will come to the notice of a member of the family, or people in the vicinity, or friends and relations. That will be sufficient, because when it is observed that a new courtship is developing the innocent party will soon learn of the true situation.

In view of that I think we might omit publication of the notice in the ordinary newspapers and maintain the requirement for advertisement in the *Canada Gazette*, although the nature of the allegations in the petition need not be included. I think it will prevent many disasters such as have occurred in the past, where one party to a marriage is ignorant of the fact that the other party is a divorcee.

The excellent reputation of the Senate's Standing Committee on Divorce will be taken into account if, possibly in the future, consideration is given to conferring upon one house of Parliament exclusive jurisdiction to grant divorces, not by way of passing bills of divorce, but by rendering final judgment on petitions for divorce.

If the Senate were by one general act of Parliament constituted a body with jurisdiction to receive petitions for divorce, to make investigations in regard thereto, to hear the parties and witnesses, to consider the evidence, and then to decide whether to grant the petitions or not, no private act of Parliament would be necessary or useful. Those decisions would, by virtue of the general act, be particular decisions rendered by the then full authority of the Senate alone.

The authorities, not only in my province but in other provinces, have considered for many years that the granting by the imperial Parliament to the Parliament of Canada of authority to deal with the subject-matter of divorce meant that this authority could be exercised by Parliament itself by passing general laws, and that there is no necessity of a private bill or law for each case.

Private bills from the provinces which object to establishment of divorce courts within their boundaries have been before this house and dealt with on their merits after a hearing of the evidence by a Senate committee in the first instance, and in most cases by that committee exclusively. In view of that fact it is felt that if divorce, to which some religious authorities object, remained in the hands of our branch of Parliament by virtue of a general act, the Constitution would not be violated. I feel that there would be a greater safeguard against a continuing increase in the number of divorces if these divorce petitions were decided by our Senate body, if and when vested with the full authority so to do under a general act of Parliament to that effect, than if they were considered by ordinary courts. I feel that as long as divorces are to be granted to persons domiciled in my province of Quebec many people there would be satisfied to have the authority to dissolve marriages remain in the federal Parliament, but vested in the Senate alone, by and under the terms of a general law to that effect. If at some future time this authority were limited to the Senate, which would grant petitions but not pass private divorce acts, I feel there is a good chance that such a solution would be accepted with peace and harmony throughout the country.

Hon. William H. Golding: Honourable senators, I want to say just a few words in connection with this matter. I feel that the honourable senator from Hanover (Hon. Mr. Brunt) has made a good, practical suggestion

which should be accepted. The Senate Standing Committee on Divorce discussed the proposed amendments and unanimously approved of them. Nevertheless, we have to work in harmony and co-operation with the House of Commons, and we should always keep this in mind no matter what legislation we are dealing with. I agree with the chairman of our committee, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). He is quite willing to go along with the suggestion that the two committees get together in an attempt to work out some agreement that will be satisfactory to all. I think that is a practical way to deal with our problem.

Hon. Vincent Dupuis: Honourable senators, I am bound to say a few words about this subject. One thing that induces me to do so is my recollection of certain things that happened when the honourable senator from Mille Isles (Hon. Mr. Monette) and I used to speak at joint meetings on the hustings.

Hon. Mr. Monette: Which turned out to be most favourable to my honourable friend.

Hon. Mr. Dupuis: As if this were a joint meeting, I must contradict my honourable friend by saying that things turned out most favourably for him, for while I was spending my time here and neglecting my law practice he built up a reputation as one of the most eminent lawyers in Canada.

But let us come to the question at hand. My honourable friend feels that notices of applications for bills of divorce should be published in the *Canada Gazette* and local newspapers. He pointed out that an awkward situation might develop if a husband or wife discovered, after their marriage, that one of them, when single, had been involved in a divorce. In supporting this view may I relate an experience I had as counsel? A client of mine married an American woman who declared to the officiating clergyman, a priest, that she was a widow. When it turned out to be a bad union my client became suspicious that his wife was not a widow at all. We went to Vermont and other places where she had lived, and at Montpelier we discovered that she had been divorced twice. I then instituted an action for an annulment of my client's marriage, which I eventually obtained quite easily.

My honourable friend suggested that perhaps in the near future the Senate would be given exclusive authority to grant divorces. That would mean a considerable change from the present practice, and if I am not mistaken it would necessitate an amendment to our Constitution, for which we would have to go against the convictions of my honourable friend from Toronto-Trinity (Hon. Mr. Roebuck). We would have to apply to another Parliament to obtain such an amendment. May I suggest that if any change is to be made it should be one whereby divorces would be taken out of the hands of Parliament. Our Constitution gives the Parliament of Canada authority to delegate its powers concerning divorce to another body, which would represent Parliament. Some years ago I had the opportunity of studying this matter with a distinguished Montreal lawyer. Religious authorities were consulted about it and they were almost convinced that, although they did not agree with the principle of divorce, as long as it is provided for in the Constitution there would be no objection to having the power to grant divorces, which is now vested in the federal Parliament, delegated to another body. The body we had in mind was the Exchequer Court of Canada.

I suggested on the floor of this house once before, and I would like to repeat the suggestion now, that serious thought should be given to removing divorce from Parliament. I would suggest that at the next session of Parliament the Government consider setting up a committee to study the possibility of delegating the powers of this Parliament in divorce matters to the Exchequer Court of Canada.

Hon. Muriel McQ. Fergusson: Honourable senators, I rise to support all the points in the motion of the chairman of the Standing Committee on Divorce, the honourable gentleman from Toronto-Trinity (Hon. Mr. Roebuck), particularly that part referring to advertising. I do not think we should require notices of applications for divorce to be advertised in the public press. There are cases where petitions for divorce are eventually not granted. In his final report the other day the chairman disclosed that there were seven such cases during this past session. This means that the charge against the respondents in those cases, as outlined in the advertisements, was not proven. According to British law those persons are not guilty. However, the reputation of any man or woman who is named in a newspaper advertisement as the respondent in a divorce case is smeared.

Hon. Mr. Monette: Would the honourable senator allow me to make a brief explanation? Perhaps I did not make my position quite clear. I am not in favour of publishing in the public press or the *Canada Gazette* the grounds for the divorce, but I am in favour of publishing simply a notice that a divorce is being sought, so that the public will know of that fact.

Hon. Mr. Horner: There is only one ground for divorce.

Hon. Mr. Monette: But I think the ground for the divorce should not be stated in the notice.

Hon. Mrs. Fergusson: I think the problem might be largely solved if the ground for the divorce was not mentioned in the advertisement. I still think, however, that an advertisement in the public press stating that someone is seeking a divorce from his or her spouse leaves in the mind of the public a smear against the person from whom the divorce is sought, even though the ground may not be mentioned. Subsequently, if the petition is rejected—and this session we have rejected seven—and there is no public notice that the case was not proven, a smear will cling to that person named in the advertisement all through life. The only way to remove that possibility is by not having such an advertisement published in a newspaper. Personally I have no objection to a notice appearing in the *Canada Gazette* if the ground for the petition is not stated. I can see the reasonableness of it.

I agree with the suggestion of the honourable senator from Hanover (Hon. Mr. Brunt) that a meeting between the Senate Divorce Committee and the Miscellaneous Private Bills Committee of the other place might be a very good idea, and if the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) agrees, I will follow him in the matter. I do hope that if such a meeting of committees takes place they will decide that no such advertisement shall be permitted in the public press.

The Hon. the Speaker: Do honourable senators agree that this debate shall stand?

Hon. Mr. Roebuck: I was going to make another suggestion, Your Honour. I think I shall withdraw the motion.

Hon. Mr. Thorvaldson: I was going to move adjournment of the debate, honourable senators.

Hon. Mr. Roebuck: The proposition has been put to me that I call a meeting of the two committees. How soon that can be arranged, I do not know. However, in view of the debate that has taken place, and the expression of opinion that I have heard from several honourable senators, whose opinion I highly respect, that we should continue to require notice in the *Canada Gazette,* I have no objection. I do object to mention of the ground in the *Canada Gazette,* and my friend says he is not insisting on that at all, but would be satisfied with a notice of application for a bill of divorce. That is all right, I will go along with that. In that case, an amendment will have to be made to my motion.

Then there is the question of how long a period there should be between the service of the petition and the actual trial of the case. I felt that one month was long enough, but if somebody thinks it is not—

The Hon. the Speaker: At this stage, I must warn the honourable senator that if he speaks a third time, he will certainly close the debate.

Hon. Mr. Roebuck: I will willingly drop that point. I think it would be better to introduce an amended motion. Therefore, with consent of the house, I withdraw the motion at the moment, but without prejudice to my right to bring it up again. Perhaps when I do so we shall all be agreed upon it.

Honourable senators, I ask for leave to withdraw the motion.

Hon. Mr. Brunt: Agreed.

Motion withdrawn.

INTERNAL ECONOMY

THIRTEENTH REPORT OF COMMITTEE APPROVED

The Senate proceeded to consideration of the thirteenth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. William R. Brunt, Chairman of the committee, moved that the report be approved.

Hon. Mr. Roebuck: May we have an explanation?

Hon. Mr. Brunt: Yes; I was just about to give one.

If honourable senators will refer to page 660 of the *Minutes of the Proceedings* of the Senate for Tuesday, July 19, I think it will be much easier to follow the explanation.

I think all of us are aware that the Civil Service Commission for many months has been making a close study of salaries and wages paid in commerce and industry and comparing them with wage scales in effect for employees in the public service. As a partial result of this survey the commission has submitted for consideration a report to the Treasury Board authorizing salary revisions for a number of general classes in the Civil Service. Some become effective on April 1 this year and others on May 1. Among them are the following grades in which the Senate has employees, but none of whom may benefit until, in compliance with section 62 of the Civil Service Act, the Senate has approved or ratified the action of the Treasury Board. The effected classes are as follows: Confidential messenger, Clerk 4, Principal Clerk, and Cleaning Service man. There is set out in detail the present

scale of wages paid, and the proposed increases. In all, we have in the Senate two confidential messengers, two clerks of grade 4, one principal clerk, and one member of the cleaning staff, who will be affected by this increase. These six employees will, if this report is adopted, receive an increase amounting to $2,190 annually.

If further information is desired in connection with this report I shall be glad to try to answer any questions.

Report approved.

FOURTEENTH REPORT ADOPTED

The Senate proceeded to consideration of the fourteenth report of the Standing Committeee on Internal Economy and Contingent Accounts.

Hon. William R. Brunt, Chairman of the committee, moved that the report be adopted.

He said: Honourable senators, this report affects eleven different classes of employees of the Senate, and I intend to refer briefly to each class. I will give the number of employees and the amount of money involved; then if there are any questions I shall endeavour to answer them.

The first class benefited is that of Executive Assistant. This item, I think, is self-explanatory. It is provided that the salary for executive assistants in the Senate shall be increased from $7,000 per annum to $8,000. There are two executive assistants involved, so that the total increased annual cost to the Government will be $2,000.

In recommending these increases for our sessional services your committee went a bit further and took into consideration some additional classes which were not considered by the Commons.

The second class is Senate Secretaries. These particular secretaries are being granted an increase of $300 per year; in other words, $25 per month. The total number of employees involved is four, with the result that the additional annual cost to the Government will be $1,200.

The next class to be dealt with is No. 3, Senate Stenographers, continuing temporary. On page 662 of the *Minutes of the Proceedings* the present salary scale is shown, with the proposed scale. Each person in this class will receive an annual increase of $300, and as there are at present in this particular class a total of eight employees the annual increase in cost to the Government will amount to $2,400.

Class No. 4 refers to the Senate Stenographers, sessional. These employees have been granted a similar increase of $25 per month. There are 18 employees in this particular category but they are not full-time employees and, on the basis of six-months employment in each year, the annual increase in cost to the Government will be $2,700.

Hon. Mr. Isnor: May I inquire if employees in the class which has just been referred to come under the Civil Service Commission?

Hon. Mr. Brunt: No.

Hon. Mr. Isnor: But they do enjoy the benefit of unemployment insurance?

Hon. Mr. Brunt: Yes, they do, but they are not under the Civil Service Commission.

Hon. Mr. Isnor: At the end of the session they start to draw unemployment insurance because they have been laid off, is that right?

Hon. Mr. Brunt: That is correct.

Hon. Mr. Robertson: For how long?

Hon. Mr. Brunt: For as long as the Unemployment Insurance Act provides. I have not made a study of the act. There are certain rules and regulations laid down under the act which provide for the amount of the weekly payment of unemployment insurance, depending on the length of time the recipient has been employed. We have no control over that in any way.

Hon. Mr. Hugessen: If they are good stenographers they won't remain unemployed for very long.

Hon. Mr. Aseltine: Good stenographers are very scarce.

Hon. Mr. Brunt: Class No. 5, Debates Amanuenses, sessional, is described on page 662. There you will find the increases set out, and these are to be effective as of April 1 last. There are six employees in the group and for an average employment of six months the annual increased cost will be $900.

Class 6 is Parliamentary Confidential Messenger, Committees Branch, temporary. The purpose of this recommendation is to provide annual increases for the incumbent or holder of that office, a practice that is now followed in the other place. This employee has diversified duties, such as operating the Addressograph machine and the Verifax copying machine and acting as court crier for the Divorce Committee. He has had three years' service in the present position. The annual cost to the Government for this increase will be $150.

Hon. Mr. Roebuck: He is a very good employee.

Hon. Mr. Brunt: Yes, a very good employee and a very faithful one.

Class No. 7 is Confidential Messenger, continuing temporary. The present rate of pay for this class is $260 a month, or $3,120 per annum. You will note in the *Minutes* that

the graduated salary arranged for the classification "confidential messenger" is $2,850, $3,000, $3,150, $3,300 which, it is proposed, should be made available to these employees of the Senate. The total number of employees involved is nine, and the estimated annual increased cost is $1,620.

Class No. 8 deals with Confidential Messenger, sessional. Sessional messengers are now in receipt of pay in the amount of $250 a month, or $3,000 per annum. It is recommended that the same graduated range of salary be applied to this class as to the continuing temporary. There are at present 13 employees in this particular group, and on the basis of six months' employment each year the estimated additional cost to the Government is $975 per annum.

Class No. 9 relates to Cleaning Service Man, continuing temporary and sessional. This class of employee is now paid $247 per month, or $2,964 per annum. Effective May 1 the official rate of pay for this group is $2,850, $3,000, $3,150, $3,300. The recommendation is that the new rating should be applied to the Senate service. There are 11 continuously employed and 4 on a sessional basis. The estimated cost of this proposed increase is $2,646 per annum. I know I can say, honourable senators, that the cleaning staff which we have in the Senate is the best to be found anywhere. They do an excellent job in keeping our offices clean and tidy, for which we are all very thankful.

Class No. 10 is Constable, Senate Protective Service, continuing temporary. The proposal here is that the Senate temporary constables be put on the same basis as those of the other place; that is, they should be put on the basis of the graduated annual rates provided by the Civil Service Commission, which in this case are as follows: $3,390, $3,540, $3,690, $3,840. The number of temporary constables, exclusive of constables employed in the Senate, is five, and the annual increased cost to the Government is estimated to be $750. The object here is to have the application of the annual increment principle for meritorious service apply. I think our constables are second to none.

Class No. 11 deals with our page boys. The proposed change here is that the salary of the Chief Page shall be increased from $132 to $139.50 per month, and that the salary of the other page boys be increased from $117 to $124.50 per month. The estimated annual increase in the cost to the Government is very small, $90.

The foregoing proposed changes in remuneration relate to a partial list of Senate services, namely, six permanent or classified employees, 40 continuing temporary employees, and 47 sessional employees, a total of 93 employees. The annual cost of these increases is estimated at approximately $18,000.

The total strength of the Senate staff is at present 169, comprising 42 permanent or classified employees, 57 continuing temporary employees and 70 sessional employees. This leaves 76 positions still to be dealt with in respect to increases. Most of these are permanent, and will be dealt with by the Civil Service Commission and by the passage of the usual order in council by the Governor in Council. However, there are certain temporary employees still to be dealt with, and if these persons are not given their increases before Parliament prorogues it is the intention to have the intersessional authority of the Senate deal with the matter and not leave it until Parliament reassembles next year.

Hon. Mr. Isnor: May I ask the honourable senator what is the total cost of the recommended increases?

Hon. Mr. Brunt: $18,000 annually.

Hon. Mr. Isnor: I have been doing a little arithmetic and I wonder how that amount is arrived at.

Hon. Mr. Brunt: It is supposed to have been calculated from the figures I have given, though it may vary $100 either way.

Hon. Mr. Isnor: I make the total sum $20,741.

Hon. Mr. Macdonald: You gave larger increases.

Hon. Mr. Brunt: Does my honourable friend's total include the figure of $2,190, which was in the first report?

Hon. Mr. Isnor: Yes.

Hon. Mr. Brunt: That amount should be deducted from your total. The $18,000 I mentioned applies only to the second report.

Hon. Mr. Lambert: Would my honourable friend explain what steps are taken by the commission to relate these salaries and increases to similar positions in the business world? I understood him to say that the awards were the result of an equation of the positions in the public service with similar posts in the business world.

Hon. Mr. Brunt: I am sorry, I do not have that information available for the honourable senator. I took as a fact a statement that the Civil Service Commission had made a study and had compared salaries paid in industry and commerce with those paid by the Government, and that in the light of this comparison these recommendations were made. I have no idea of the facts on which

the commission related the public service salary scale to the industrial and commercial scale.

Hon. Mr. Lambert: If I may suggest, I believe it would be of vital interest to the public to have such an explanation given at an opportune time. Whether it be done by way of an answer to a question on the Order Paper or by some other method, I am sure it would be enlightening to the public.

Hon. Mr. Brunt: Would it be satisfactory to my honourable friend if I inquired from the Civil Service Commission what was done and had its report, if not too lengthy, printed as an appendix to *Hansard*?

Hon. Mr. Lambert: That would be quite satisfactory.

Hon. Mr. Brunt: Provided it is not too bulky a document, I shall have this done.

Hon. Mr. Lambert: Thank you.

Report adopted.

CANADA ELECTIONS BILL

THIRD READING

Hon. Henri Courtemanche moved the third reading of Bill C-83, respecting the franchise of electors and the election of members of the House of Commons.

Motion agreed to and bill read third time and passed.

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP— DEBATE CONTINUED

The Senate resumed from yesterday the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. F. Elsie Inman: Honourable senators, first of all I wish to add my congratulations to those already offered to the senators who have recently joined us in this chamber, and to extend to them a warm welcome and best wishes for a happy sojourn in the Senate.

Rising to speak on the inquiry introduced by the honourable senator from Shelburne (Hon. Mr. Robertson) with regard to the desirability of reciprocal agreements with the Twenty-Nation group, I wish to say that it has been very interesting to listen to the excellent speeches which have been given by a number of honourable senators on this subject of Canadian foreign trade problems. They have been informative and also provocative. I feel that a special tribute should be paid to the honourable senator from Fredericton (Hon. Mrs. Fergusson) for the excellent speech recently delivered by her in this chamber on the international trade situation. It was particularly comprehensive and showed a most intelligent understanding of the subject under debate.

Personally, I feel that on the question of foreign trade it does not necessarily follow that what is good for one part of Canada is good for all of Canada. So before any resolution is adopted which would benefit some areas of this country it should be determined that it does not adversely affect other areas. Inasmuch as the Senate was constituted as a body for wise and sober deliberation, to ensure that the rights of all Canadians were respected and guaranteed, it is the function of this house to consider all eventualities which might result from adoption and implementation of this proposal.

The honourable senator from New Westminster (Hon. Mr. Reid) responded admirably in this connection and gave honourable senators a clear and factual picture of the international trade situation as it affects the Pacific Coast of Canada.

In fact, I believe that in introducing this discussion the honourable senator from Shelburne had in mind the gleaning of expressions of opinion from as many parts of Canada as possible. It was his hope that honourable senators would each present the viewpoint of the area he or she represents, so that all members of this chamber would have before them a complete and detailed picture of the hopes and aspirations of all citizens of this country regarding foreign trade.

There seems to me to be a disposition to emphasize continued economic growth without any specific reference to the nature of growth or to the national purpose involved. We need to have a clearer understanding of values and a distinction between assets and liabilities, without the stigma of welfare tendency

which is first in many people's thoughts today. In short, our main purpose, if we aspire to world leadership, must be the achievement of an economy that can stand on its own feet. Good Western trade relations and true co-operation are necessary for real and lasting prosperity. However, we must still face the fact that Western Europe's economy is progressing more rapidly than ours, and it is a mistake to wait too long to seize whatever opportunities are within our grasp.

If Canada cannot increase her exports to the United States she must seek markets elsewhere, either in Great Britain or other countries of the Outer Seven or Inner Six, or look to the countries farther south. To compete with nations across the Atlantic would, no doubt, mean lowering our tariffs, but perhaps that would not be such a bad thing, for history has shown that England's times of greatest prosperity were after she opened her ports to free trade with all countries. Even the Atlantic provinces, which were formerly colonies and which were recently described by Mr. Gordon in his report as depressed areas, thrived under free trade. The ships built by these provinces sailed the oceans of the world, and their products were known as well in New England, the West Indies and England as they were at home.

It has been said that the people of the Maritimes are by tradition free traders, and for obvious reasons. The natural pull of our commerce is north and south. It is made so by our geographical situation. There is a heavily populated area on the Atlantic seaboard of the United States, and there are low-cost water routes by which it can be reached. But, on account of Canada's tariff system and the tariff reprisals on the part of our trading partners, we have had to find our markets in central Canada. The high freight rates and long hauls add greatly to the cost to the consumers in those markets, and also to the cost of the manufactured goods brought back to the Atlantic provinces.

In the realization that the Atlantic provinces, while being four political units, formed one economic unit, the provincial premiers met from time to time to discuss their common problems. Out of these meetings grew the Atlantic Provinces Economic Council, which was officially constituted in 1954 as a non-profit, non-political organization to study and assess the resources of the Atlantic provinces, and especially to co-ordinate the efforts of all organizations, agencies and individuals working for greater prosperity and sustained economic growth in every area of the four provinces. It is a voluntary organization and is the first Canadian experiment in extensive economic co-operation on a regional basis. It aims to assist the people of these provinces to develop their own resources and skills through co-operative effort, and it strives for the economic growth not only of the Atlantic provinces but of Canada as a whole.

It is said that the European Common Market is not commercially isolated from the rest of the world. As a trading unit it is the world's largest importer, and it is the most advanced on the way to economic integration. Let us not forget that with its low labour costs and high productivity it can procure markets all over the world, provided always, of course, that there is full co-operation among the member countries.

However, the United States is still Canada's best customer. Canada sells 60 per cent of its exports in that country. It is true that a great portion is in raw materials, but then that is what we have most of to sell. This has created a common interest in world trade organization, and has placed Canada with the United States in promoting the General Agreement on Tariffs and Trade—commonly known as GATT—and the International Monetary Fund. Canada's trade position with the United States is a natural one on account of geography and economics, and not because of any prejudice against other countries.

We have beyond the United States, in the Latin American countries, a great and important potential for a new era of co-operation in international trade. Canada has been sending trade missions to these countries, and very favourable reports of the purchasing potential of the Latin Americans have been presented to Parliament.

Certain questions, however, arise in my mind in connection with any new trade agreements into which Canada might enter and the effect of such agreements on the trading situation of the Atlantic provinces. What would be the situation with respect to our fish going to the Inner Six and Outer Seven countries? Norway and Iceland are the big competitors with regard to processed fish. Why can we not compete favourably with these countries? What is our potato situation in relation to that of the United States? I understand that there is a good market, if developed, for potatoes in Great Britain. As a matter of fact, Prince Edward Island has already successfully experimented with the sale of potatoes in that country.

Our export of lumber has decreased greatly in the past few years. Why have we lost a large percentage of the markets for raw and finished lumber? Would new agreements restore this industry to its former prosperity? One wonders also what happened to the apple trade of the Annapolis Valley

which, in the past, was a flourishing trade with England. Are we failing to develop and maintain our trade with countries which we have aided and helped to develop, such as India?

In the speeches on this topic of international trade interesting statistics have been quoted regarding the balance of payments in foreign exchange. It was generally shown that Canada had a trade deficit with the United States which was only recently liquidated by a surplus achieved in trade with other countries. Essentially, in speaking of exports of various products we now include payment for the services of Canadians who worked on these products. That is to say, the wages of Canadians are being paid in foreign currencies.

I submit that the same end is obtained in the tourist industry, and I must speak about it. For example, receipts from the tourist industry in 1959, converted into Canadian currency, amounted to $393 million, but Canadians spent in other countries $593 million —a difference of $200 million. In fact, one can readily name a number of countries which amass no small portion of their foreign exchange from tourists. This is also true of many parts of Canada and I therefore express the hope that any future trade agreements will also provide free convertibility of currency so that travel will entail no stringent financial regulations to prevent tourists from coming to Canada.

Are we making sure that we are doing our best to provide attractive facilities and real value in accommodation for our visitors? Canada is now behind some countries in this respect. I would mention Mexico as a top contender for the United States tourist trade. We had a revenue of only $341 million from United States tourists last year, in comparison with Mexico's $345 million. In fact, United States tourist-spending in Canada is down 26 per cent from what it was in the immediate post-war period. I would, therefore, most strongly advocate Government support for a flourishing tourist industry in Canada. This would keep many Canadians employed in areas which may not be sharing in the prosperity of the manufacturing areas.

We should not waste time trying to see what lies dimly in the distance but do what lies clearly at hand now.

Hon. Mr. Golding: Honourable senators, on behalf of the Whip on this side of the house, the honourable senator from Norfolk (Hon. Mr. Taylor), I move adjournment of the debate. I believe it is his understanding that other honourable senators wish to speak on this subject.

On motion of Hon. Mr. Golding, for Hon. Mr. Taylor (Norfolk), debate adjourned.

DIVORCE

BILL—SECOND READING

Hon. Arthur W. Roebuck, Chairman of the Standing Committee on Divorce, moved the second reading of Bill SD-492, for the relief of Norman Edward Fulford.

Motion agreed to and bill read second time, on division.

THIRD READING

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

Hon. Mr. Roebuck: With leave, I move the third reading now.

Motion agreed to and bill read third time, and passed, on division.

The Senate adjourned until Tuesday, July 26, at 8 p.m.

THE SENATE

Tuesday, July 26, 1960

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

Prayers.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Copy of Order in Council P.C. 1960-975 of July 15, 1960, approving the revised capital budget of the National Harbours Board for the calendar year 1960, copy of said budget appended thereto, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952.

First annual report, 1959-60, of the Board of Trustees of the Queen Elizabeth II Canadian Fund to aid in research on the diseases of children. (English and French texts).

CANADA SHIPPING BILL

THIRD READING

Hon. W. M. Aseltine moved the third reading of Bill C-80, to amend the Canada Shipping Act.

Motion agreed to and bill read third time and passed.

FREIGHT RATES REDUCTION BILL

THIRD READING

Hon. Fred. M. Blois moved the third reading of Bill C-81, to amend the Freight Rates Reduction Act.

Motion agreed to and bill read third time and passed.

CANADA'S CENTENNIAL

SUGGESTIONS FOR CELEBRATION—DEBATE CONCLUDED

The Senate resumed from Wednesday, May 25, the adjourned debate introduced by Hon. Mr. Cameron, who called attention to Canada's Centennial Year 1967 and suggested "that appropriate steps be taken to mobilize the resources of governmental and non-governmental agencies in making this celebration an occasion to mark the achievements of the past and to plot a course for the future".

Hon. W. Ross Macdonald: Honourable senators, it was unfortunate that before leaving for Winnipeg the honourable senator from Churchill (Hon. Mr. Crerar) did not have an opportunity to speak on this subject which was placed on the Order Paper by the honourable senator from Banff (Hon. Mr. Cameron), in which he called the attention of the Senate to the necessity of preparing now for the appropriate recognition of the celebration of Canada's centennial year, 1967. I am sure that the contribution of the honourable senator from Churchill to this debate would have added much to the very worthwhile speeches which have already been made. When he learned that his speech would interfere with the business of the Senate which was planned for the day on which he had intended to speak, he graciously gave way, in order that business which seemed more pressing at the moment could be completed. However, it is unfortunate that we did not have the benefit of his remarks at that time. It was then that I adjourned the debate, not for myself, but rather for the honourable senator from Banff (Hon. Mr. Cameron), who had introduced the subject. I felt that honourable senators would have been only too pleased to accord him the privilege of making a few remarks to close the discussion. Unfortunately, the honourable senator has been suffering from a severe ailment, caused no doubt by overwork, which has prevented him from being present at our sittings during the past month or so. I have been in touch with him throughout this period, and am pleased to state that although he is far from well he is making excellent progress, and his doctors assure him that he will be with us next session, when he will once again take an active interest in the work of this house, to which he has already made an outstanding contribution. I am sure we shall all welcome him back.

Hon. Mr. Hugessen: Hear, hear.

Hon. Mr. Macdonald: Honourable senators will recall that the honourable senator from Banff made certain suggestions with respect to the need for greater support of education by the federal Government. He has asked me to state that he had no intention of raising any constitutional issue, as he realizes fully that the responsibility for education at the elementary and secondary level is, and must remain, that of the provinces. In his opinion, however, this does not preclude the imperative necessity of the federal Government's supporting universities and technical education and a scholarship program to a much greater extent than has ever been done before. Indeed, he contends that if Canada is to maintain her position in the present-day world the federal Government will have no option but to do this. In fact it is doing so at the present time by grants to aid technical education and for scholarships. It is true that in most instances this is done indirectly, but in doing so the federal Government is not going beyond its powers.

The honourable senator from Banff also asked me to refer to the matter of costs. It

was obvious, honourable senators, while he was speaking, that a number of senators felt that if his suggestions were put into effect the cost to the treasury would be fantastic. I have reread the honourable senator's speech and I find that he makes it clear that the success of the Centennial will be in exact proportion to the extent to which we are able to mobilize the resources of non-governmental and voluntary agencies. I would emphasize the words *non-governmental* and *voluntary*. In other words, he suggests that we should mobilize the enthusiasm and resources of private individuals, of business firms and of community organizations of all kinds. If we are successful in doing so they will do a large part of the necessary work to ensure the success of local projects.

He then went on to the second aspect of that program, which has to do with the planning now for federal, provincial and municipal buildings. This money will be spent between now and 1967. The object, of course, will be to have a very substantial program of buildings started as soon as possible and brought to completion for the Centennial year. By giving a little more careful attention to the planning and to the nature of these buildings the work can be carried out without in any way increasing the normal annual expenditure for capital works.

Another suggestion made by the honourable senator from Banff to mark the National Centennial was to the effect that a national centre be built in Ottawa for the performing arts. He feels very keenly that if Ottawa is to fulfil its function and its destiny as a national capital worthy of its name, it is high time that funds should be provided from the federal treasury to provide one of the essential of any national capital. But it is not only at our capital that centres for the performing arts should be erected. Similar facilities could be provided in our national parks, especially at Banff, where there is a great need for a theatre and a convention hall. Centres of this type could be provided, not entirely at the expense of the federal Government, but as a joint effort between the provinces and the federal Government.

Honourable senators, I have brought to your attention a few of the suggestions made by the honourable senator from Banff. I am sure that you will all agree that they are worthy of the careful consideration of the committee which is being set up to direct the manner in which we shall recognize the one hundredth anniversary of Confederation. Other worth-while suggestions have been advanced by honourable senators who have spoken in this debate. I have reffered only to the proposals made by the honourable senator from Banff (Hon. Mr. Cameron), because unfortunately he is unable at this time to do so himself.

Honourable senators, I would like to take this opportunity to commend all those who have taken part in this debate. I am sure that many of the proposals advanced here will find favour with the national, provincial and local committees which will make the final arrangements for the Centennial year and for the great celebration which will take place on July 1, 1967.

Debate concluded.

DISTINGUISHED VISITORS IN GALLERY

PREMIER OF NEWFOUNDLAND AND COLLEAGUES

Hon. W. Ross Macdonald: Honourable senators, I know it is not customary to refer to the galleries, but I trust honourable senators will agree with me that I should not allow this occasion to pass without bringing to the attention of the Senate the fact that we have some distinguished visitors present this evening. I refer to the Honourable the Premier of Newfoundland and two of his colleagues. I am sure that we deem it an honour to have them with us, and we extend our very best wishes both to them and to the people of their wonderful province.

LAND USE

REPORT OF SPECIAL COMMITTEE ADOPTED

The Senate resumed from Wednesday, July 20, the adjourned debate on the motion of Hon. Mr. Pearson for adoption of the second report of the Special Committee on Land Use in Canada.

(Translation):

Hon. Henri C. Bois: Honourable senators, it is not my intention to review the report and recommendation of the Special Committee on Land Use tabled recently in this house by the senator from Lumsden (Hon. Mr. Pearson). The report is indeed a comprehensive one, and I wish to congratulate its author.

I feel that it would be more useful to limit myself to one part of the report only and to discuss it with you.

On page 243 of report No. 8, we find the following remarks:

(Text):

Two fundamental facts are basic to the concept of rural development in the United States. While it is possible to expect some increase in farm income and to improve living conditions through developments with agriculture, it is pretty well accepted that the best opportunities for area economic

development are found in fields outside the agricultural economy. This follows partly from the limitation of agricultural resources in the counties chosen for rural development but mainly from the higher economic activity and employment possibilities, and income generating effect of other resource development. Secondly, due to increased output of agricultural products per worker resulting from technological and scientific advances less people are needed on farms. This makes the need for development of gainful employment opportunities in other fields imperative if serious under-employment conditions are to be avoided. These two conditions are also applicable to the situation which prevails in Canada and the extent to which farm families are able to supplement their incomes from non-farm sources depend largely upon the availability of job opportunities.

(Translation):

I think it might help the ordinary reader of the report if I were to give some explanation at this point. It does happen quite often that the lack of agricultural resources is such that all hope of making a living on the farm must be abandoned, but does that necessarily mean that conditions will never change? It is hard to say. Remember the sandy stretches in some parts of Ontario and Quebec which, when cigarette tobacco farming was introduced, lifted their owners from near poverty to easy circumstances.

No one can foresee the practical results of intelligent and continuing research. For instance, the introduction of the soybean has meant and still means hundreds of millions of dollars not only to the farmers of the United States but to several classes of industrial workers and to American trade.

We should take into account, firstly, the possibility of improving farm revenue through the introduction and generalization of better techniques, which can often remedy certain problems to the point of changing a miserable concern into a paying proposition, and secondly, foresee and fully appreciate the advantages to be obtained from certain community works.

As an example of what can be done, I would like to quote from the testimony of Dr. J. E. Pelletier, former superintendent of the Ste. Anne de la Pocatière Experimental Farm, as it appears on page 10 of report 7 of the committee's proceedings.

This is what Dr. Pelletier has to say concerning grass farming.

Grassland is nothing more than a larger part of the farm acreage being kept in green crops, and it necessitates less plowing. Not only is grassland good for the soil and animals, but it is also good for the farmer. I could quote you here lots of figures which indicate that we could produce feeds as needed is our dairy farming at much lower cost with grassland crops than with grain crops for instance. Thus, from a good pasture we obtained one ton of feed at a price of $6 to $7; hay cost $10 to $12 per ton and grain $16 to $18 per ton.

It is surprising how good farm crops improve soils, even those of the forest category. With respect to crops we generally consider what is above the ground because it can be seen, but how little we think of what is below ground level. The organic matter, for instance, which is the blood of the soil, can be increased or reconstituted by some of the green crops, and well-managed meadows and pastures.

In 1937, when I was a student in Wales, at the University of Aberystwyth, I saw some of the work going on there that induced me to think in terms of grassland. There, also, I met the Director of Grassland Research for New Zealand, which is the grassland country par excellence. All this knowledge has been used in planning the research program of our Experimental Farm, and that has since brought great dividends.

Besides grassland reforms we must also promote progressive reforestation schemes, and in that foresters have a great many good "recipes".

On this grassland concept of farming, I could give you a lot of statistics to illustrate how it raises the fertility of our soil and improves its physical condition.

I glanced the other day at some reports with respect to work done at West Virginia University with respect to underground organic residues left after the crop removal. For instance, we think of timothy as being almost the only grass we have for hay and pasture, but there are many others. There is brome grass, for instance, which when compared to timothy would leave in the ground seven times more organic debris. This, in decaying, will aerate the soil, will favour greater bacterial activity, and permit greater water retention. These are some of the advantages of grassland farming that we cannot ignore when dealing with podsolic or forest soils which are generally open, coarse and fragile.

My third suggestion would be to raise the level of fertility of our soils. As mentioned before, our soils have been cultivated for three centuries. We have a maritime climate with high total and high intensity rainfall which at times washes out the richest parts of the soil, including mineral food, which goes down the rivers. That should be prevented. Comparing Quebec with Ontario, for instance, we in Quebec apply 31 pounds of fertilizers per acre of improved land, as against Ontario's 68 pounds. Of the total Canadian consumption of fertilizers Quebec uses one-fifth, whereas Ontario uses three-fifths.

Associated with these three major farming reforms would be the need of pilot demonstration farms to prove our recommendations before generalizing them, because there is such a diversity of farms and soils. On that I refer particularly to grassland, or long lays, and fodder rotations which are the same thing. We should also introduce small farm machinery, if that is possible. After all we have had small automobiles and they are not so inefficient. The question is: Can we have smaller machinery for smaller farms? This has bothered me for nearly a score of years, and when living in

the Near East I saw implements that encouraged me to continue thinking that way. Evidently, in that domain the first thing to do is to embark on some research related to the problem. Perhaps our engineers do not see it this way, but it seems to be a field where at least some exploration can be made.

Again, I repeat that agriculture and forestry have to coexist because we have nothing else to draw our subsistence from, and either one alone will be insufficient. With respect to these two leading rural pursuits we must think in terms of coexistence just like they do in Sweden, which is the home of such an economic concept of rural economy. In fact, it was my privilege to see it in action when visiting that country in 1953. That visit made me realize fully that the eastern Quebec district was almost the Sweden of Canada.

I apologize to the house because the quotation is somewhat lengthy, but if Dr. Pelletier had wanted to go into some detail and give a complete picture of all that could be done, his testimony would have lasted much longer than the half hour allotted to him.

At any rate, I might add that reasonable re-arrangement and judicious extension of the farms in some areas would often suffice to increase their chances of success.

As an example of what I call community works, I would mention drainage. On thousands of farms production is reduced simply because surplus water, lying on an impervious subsoil, keeps the topsoil too wet.

Before the committee, one of the witnesses, using maps to illustrate, as cases of poorly drained lands, the counties of Soulanges and Vaudreuil in Quebec, pointed out the tremendous progress which might be made simply by building drainage ditches.

From the Ontario-Quebec boundary to Vaudreuil, there is a large plain of poorly drained but fertile farm land. Good drainage would at least double agricultural production in that area.

And what about the removal of stones and pebbles which in large districts where the soil is fertile render farming economically impossible. There are, however, efficient machines to remove stones and pebbles and which are not too costly for farming or municipal groups.

It must be recognized, however, that such works, to be carried out rapidly and profitably, require provincial or federal help. But they are not impossible and would contribute enormously to the economic rehabilitation of large farming areas. That is why I find the following remark somewhat pessimistic:

(Text):

While it is possible to expect some increase in farm income and to improve living conditions through developments with agriculture, it is pretty well accepted that the best opportunities for area economic development are found in fields outside the agricultural economy.

(Translation):

It is no doubt true under certain conditions, but I do not think it applies generally to the conditions prevailing in the underdeveloped areas of eastern Canada.

There still remain some possibilities of successful farming, even in the areas which, at first sight, would seem less favoured. The problem is to find a way of re-establishing them.

I have here the case of a typical corner of eastern Quebec, a district which is not particularly favoured.

I got my information from the first issue, vol. 17, of the magazine *Agriculture*, published by the Quebec agriculturists guild. This study was made in 1958, in accordance with the generally accepted rules in connection with such types of works.

It was found that the first and second parishes were far ahead of the third, fourth, fifth and sixth parish. I am inclined to attribute their advance to their seniority; in other words, the present farmers are taking advantage of a number of improvements brought about by their fathers and forefathers.

There is no great difference in the soil, its composition and topography, between the two groups of parishes; in the latter group there still remains a possibility of expanding the acreage of crops.

Here are the facts:

TABLE 1

DISTRIBUTION OF GROSS PRODUCT BY PARISH
(per 100 farms) (1)

Parishes	Class of gross product								Average per parish
	$1,200 and under	1,201 to $2,000	2,001 to $3,000	3,001 to $4,000	4,001 to $5,000	5,001 to $6,000	6,001 to $7,000	Over $7,000	
No. 1	5	—	20	10	30	5	10	20	$5,100
2	13	—	20	20	—	7	20	20	5,500
"north" %	9	—	20	14	17	6	14	20	$5,280
No. 3	28	33	11	6	—	17	5	—	$2,450
4	9	46	18	9	18	—	—	—	2,600
5	60	30	—	10	—	—	—	—	1,200
6	37	9	18	18	9	—	—	9	2,900
"south" %	33	30	12	10	6	6	2	2	$2,320

(1) The gross product is the total amount in dollars of all the animal and vegetable agricultural products sold or consumed by people on the farm, of the variations in livestock inventories and in inventories of farm products.

TABLE 2

DISTRIBUTION OF FARM INCOME BY WORKER
(per 100 farms) (2)

Parishes	Number of workers per class of net income						Average per worker	Average per farm
	$500 and under	501 to $1,000	1,001 to $1,500	1,501 to $2,000	2,001 to $2,500	Over $2,500		
No. 1	5	5	25	35	10	20	$2,150	$2,470
2	13	7	27	20	13	20	2,572	2,575
"north" %	9	6	25	28	12	20	$2,285	$2,515
No. 3	22	45	11	22	—	—	$1,000	$1,235
4	9	55	27	—	9	—	1,040	1,210
5	30	20	30	20	—	—	880	615
6	18	27	37	—	—	18	1,420	1,280
"south" %	20	38	24	12	2	4	$1,115	$1,115

(2) The net farm income is the difference between the gross product and the expenses actually paid during the 300 year and which include equipment and building depreciation. The income per worker is the remuneration of days work by the operator and his family.

I will let you draw your own conclusions.

Under such conditions, it is inevitable that the young people should leave the farm. A strong percentage of the population of that district which extends mostly to the south, from Montmagny to Gaspé inclusive, are emigrating.

The importance of this population movement is considerable. In its fourth issue for 1960, *L'Actualité économique* gives certain figures.

In 1959, there were about 400,000 people in this district, 52.3 per cent of whom were not yet 20 years old in 1956.

The sad part of it is that these people can no longer find employment in their own district, although mining developments on the North Shore seem to absorb quite a number of them. Farming has always produced good and, I might say, intelligent men.

Quite naturally, these young people choose the most profitable occupations and stay with them as long as they remain so. The worst

of it is that these departures are neither prepared for nor carried out methodically. To correct such a situation would require longer attendance at school and professional guidance to discuss the talents or skills of the young boys and girls whose departure is foreseen. Otherwise, our youngsters from rural districts are relegated to inferior jobs when they come to town, while strangers—whom we are pleased to welcome—take over the more profitable occupations.

That is why I am so pleased with the suggestion contained in the report in this respect.

One aspect of the greater problem of improving the farmer's living conditions lies in the processing and sale of farm products.

Production is not an end in itself, because there are few farm products that can be marketed as such. Most of them have to be harvested, classified, packaged, often processed, and finally marketed at the proper time and place.

In the past, all those activities were carried out by experts or so-called experts, until one day, the farmer, spurred by need, started wondering if he could not do away with those too numerous and too exacting middlemen and thus keep for himself the profit that the latter would have pocketed. That is what agricultural producers have done by forming co-operatives and that is probably what they will keep on doing.

I would add that the scope of those associations is not limited only to the sale of the products, but covers the purchase of products needed by the farmers in their work.

Another aspect of the report is that it suggests a method of work which goes from bottom to top, if I may express myself that way, and which requires the co-operation not only of those who are primarily concerned, the farmers, but of all the members of the rural community.

Undoubtedly, that is a promise of success. Obviously, initiatives will have to be inspired, directed and supported, but their implementation will have to be mainly, if not wholly, the responsibility of local groups. By appealing to all people of good will and to all kinds of skills, success will be easier to achieve.

Let us not make the mistake, however, of thinking that one single solution can be found to remedy all the problems facing agriculture. Ways of improving farming are as varied as they are numerous.

In order to succeed, it will be necessary to resort to experts in fields which are at first sight, unrelated, for instance, to engineers, sociologists, forestry engineers, agronomists, businessmen, members of the legal profession and politicians. That is the only way that we can hope to do something useful.

(Text):

Hon. R. B. Horner: Honourable senators, I would like to say a few words before the report of the Land Use Committee is adopted. I have lately travelled through some very fine land. As honourable senators know, I am particluarly interested in the land. I might say that I am very proud of the job that I could do with a walking plow nearly 70 years ago.

A great deal has been said in this chamber about scholarships, and they are necessary. I should like to point out that in the provinces of Saskatchewan and Alberta—I am not sure if there is a similar practice in Quebec and Ontario—a prize of $1,000 is donated to what they call the master farmer. The degree of efficiency of operation of the farm, the layout of buildings and the farmer's home are all taken into consideration by the judges. In driving through beautiful country I have often noted that, to my way of thinking, the land was not being utilized to the extent of one quarter of its maximum possibilities.

The honourable senator from Lumsden (Hon. Mr. Pearson), Chairman of the Land Use Committee, told me the other day that his father had been associated with the settling of people coming from south of the border to the Canadian Prairies. I suggested to the honourable senator that there was a good opportunity for anyone who could get an option on some land not too far from the city, land of the kind that south of the border is being valued at nearly $300 an acre and that can be bought here for $100 an acre. However, I think that perhaps a little greater glory should go to the man who can make two blades of grass grow where one grew before. In the past we have had eminent men —Sir Charles Saunders was one—to whom the world owes a tremendous debt for what they accomplished in producing various types of grains and grasses. In that connection, I would suggest that the Government of this country do all it can to instil into the minds of the youth of this country a deep pride in agriculture, and to impart the idea that it is a constructive occupation and that the farm is a delightful place on which to live and raise a family. It would be a good idea if the federal Government, or the provincial Governments, if you wish, gave a prize, or perhaps several prizes, to master farmers, or perhaps granted an award to a chief farmer or a man who makes the best use of his land. I think that eventually the most difficult problem facing the world will be the production of adequate food, and I am convinced that in Canada, both in the east and the west, we are not making all the use that could be made of our land resources. I am thinking of a European who worked for me

a great number of years ago. He and I were once passing a place where a bachelor farmed 500 acres. He said to me, "Why don't you buy that place?" I told him that the land lacked moisture, to which he replied, "You could dig a well anywhere here and get water, and in my country this farm would support 500 people."

Honourable senators, how long are we going to be able to hold on to this great heritage of land and wide spaces, while people in other countries are carrying earth in baskets up on to ledges and making paths around the mountains in order to grow some food to eat? If we do not use our land to better advantage, how long do you suppose we are going to be allowed to waste it in these modern days?

Honourable senators, those are just a few thoughts that I wanted to express before this report was adopted.

(Translation):

Hon. Gustave Monette: Honourable senators, I do not want to let the discussion come to an end without saying a few words about the excellent speech made by the senator of Montarville (Hon. Mr. Bois).

I have known the senator for some time, ever since he became an agriculturist in the province of Quebec, and in the eastern townships in particular, when the late Senator Adélard Godbout operated a large farm there. I know that the senator from Montarville not only studied agriculture as a career, but that he has a natural taste for farming and a real desire to serve the community by addressing the farmers and endeavouring to make them understand his ideas and change their production methods. I have seen him at work and am not a bit surprised by the speech he has made tonight and which I know will be very useful to the province of Quebec.

The speech he made, the thoughts he expressed and the suggestions he advanced in order to enlist the honourable senators' support of his publicity campaign, all that will be to his glory and will bear witness to his patriotic mind. His remarks will, I am sure, meet with the approval of his numerous friends who sit on the left of our Speaker as well as those who sit on his right. All these suggestions will be useful to the province because they will show that there are various ways of escaping routine.

I do not wish to labour the point, but I would feel remiss if I did not mention the speech of the honourable senator from Blaine Lake (Hon. Mr. Horner). However, I feel that I am less qualified to comment on his remarks and I will just point out that on certain occasions we meet western farmers who can express their convictions with a tremendous amount of vigour and success.

Coming back to the honourable senator from Montarville, I wish to congratulate him on his fine speech. He deserves our recognition even more so, in view of the turmoil that we are going through in the post-war period, when a great number of farmers cannot resist the temptation of changing their occupation. I hope his speech will be widely publicized throughout all parts of the province.

(Text):

Report adopted.

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Macdonald: Honourable senators, before the house adjourns may I ask the Leader of the Government (Hon. Mr. Aseltine) what legislation he expects to have for the Senate tomorrow? There does not appear to be much on the Order Paper.

Hon. Mr. Aseltine: Honourable senators, I have been following the proceedings in the other place from 9 o'clock this morning trying to ascertain what legislation we are likely to receive. I was hoping that by 6 o'clock we would have the Combines Investigation Bill here and give it first reading late this evening, but it will not come over before tomorrow.

I should like to mention the fact that the Senate has gone ahead with its work and completed consideration of practically everything that has come before us, including not only legislation initiated in this house but legislation received from the other place. It will not be our fault if we have not a great deal of work to do tomorrow. It is possible that later this week there will be an interim supply bill, and we also expect in the near future the Bill of Rights.

Hon. Mr. Macdonald: How near?

Hon. Mr. Aseltine: That is all the information I can give the honourable Leader of the Opposition (Hon. Mr. Macdonald).

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, July 27, 1960

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

Prayers.

MANPOWER AND EMPLOYMENT

REPORT OF SPECIAL COMMITTEE ADOPTED

Hon. Léon Méthot, Chairman of the Special Committee on Manpower and Employment, presented the second report of the committee:

The Special Committee of the Senate appointed to study and report upon the trends in manpower requirements and utilization in Canada, make their second report, as follows:

1. Your committee feel that as a prerequisite to the inquiry considerable statistical information must be gathered, and have formed a small research team of persons qualified in labour economics to carry out the necessary studies under the direction of Professor John J. Deutsch.

2. To reduce the cost of the inquiry and expedite the work of the committee, the co-operation of various government departments has been sought and obtained.

3. National organizations representing the major components of the Canadian economy have been requested to make separate studies of their particular problems in order to present well prepared information and advice to the committee.

4. In view of the time required for the preparation of the studies referred to, it is not considered possible to hear witnesses in the time available prior to prorogation. Your committee therefore recommend that they be reconstituted at the earliest possible date following the opening of the next session of Parliament.

All which is respectfully submitted.

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

Hon. Mr. Méthot: Honourable senators, with leave of the Senate, I move that this report be taken into consideration now and adopted.

In moving adoption of this report, I would like to make a few remarks with respect to it. The report itself is, of course, self-explanatory, but some details of the work we have been doing might be of interest to the Senate.

Early in our proceedings it became apparent that we must be armed with considerable statistical information in order to appreciate and properly question the many witnesses who would eventually appear before the committee.

To obtain this information, to conduct the necessary studies in depth, and to translate the material into a form we could visualize and make use of would, we found, require a research team to work under the direction of our consultant, Professor Deutsch.

Perhaps the most pressing problem with which we have had to deal has been the obtaining of the services of people with the highly specialized skills required to form the team. Such people, we have found, are busy, expensive and scarce. However, I am now able to report that the nucleus of the team has been formed, three members having started work the week before last. These members are at work here right now.

The first function of these men will be the designing of questionnaires which will be used with a view to obtaining information of a type not now available concerning unemployment. The questionnaires will then be taken by members of our staff to centres to be selected in various parts of the country where, through the co-operation of the Unemployment Insurance Commission, interviews will be held with people seeking assistance. As a matter of fact, I understand these questionnaires will be printed in many languages and sent to every Unemployment Insurance Commission office in Canada, and afterwards those centres selected by the active personnel will be especially visited and persons in that area who are seeking unemployment insurance will be questioned. The questionnaires will be drawn in such a way as to preserve the anonymity of the individuals, and it is expected that information will be more freely given than would otherwise be the case.

I do not wish to burden the Senate with the many ramifications of our problem, so I will conclude by saying that selected personnel from Government departments will be available to us on loan as the need arises. Those who are at present working in Ottawa with us are communicating with the different departments to obtain the necessary information that they need. We propose to study American and United Kingdom methods of dealing with chronic unemployment areas, and special attention will be given to the question of seasonal unemployment.

Hon. David A. Croll: Honourable senators, we are all very pleased to hear the report of the Chairman of the Special Committee on Manpower and Employment (Hon. Mr. Méthot). We have had a very harmonious steering committee. We have been fortunate up to this time, and I hope we shall so continue, in having unanimous decisions. After discussion we have agreed that certain things should be done and now we ask for your endorsement.

One thing we found out, even in the steering committee, was that there is no unemployment among qualified people. We have

been doing our very best to try to find qualified people to do the kind of a job that we want done, but mostly they have already been spoken for. We have had to fall back on the government staff. They in turn have been very helpful. We have even suggested that we require certain named people who are key people in the department, and after a little prodding they have come across. They say, "All right, your need this time is greater than ours."

As we got into it we realized the immensity of the task we had undertaken. It is a problem that seems to be growing in importance, and we were impressed with the fact that we must not fail this chamber and the country by omitting to come up with some sensible solution to it.

We were very much struck by the cost of unemployment. Whether it be measured by material losses, by human suffering, or by wasted skills, it is too high for this country to pay. We can leave the development of our natural resources for future use, but the creative activity of our people, once wasted, cannot be recovered. It is lost for all time.

Those of us who lived through the thirties, and that includes all of us here—perhaps I should not include the honourable lady members—did not completely understand the unemployment enigma of those days. That was a problem of mass unemployment. Today, unemployment is something different. Instead of mass unemployment, we have what we call class unemployment and spot unemployment. Severe though they are, they do not attract attention, because they hit some areas harder than others and the effect is not the same across the country. It is difficult to attract attention for those areas that are adversely affected.

Honourable senators, let me take a minute or two to indicate the kind of problem this committee, and later this house, will have to deal with. Persons who are familiar with unemployment break it down into certain categories. What is called cyclical unemployment comes as a result of cycles in business activity, resulting in disruption of employment. The workers may return to their jobs later, but there has nevertheless been a loss caused by layoffs.

The next category is known as structural unemployment, which is caused by a decline in local industries and a change in productions methods. Perhaps the best illustration of changes in methods would be the automation that developed in the automobile industry and in the changeover from steam locomotives to diesel engines.

The category called frictional unemployment is that in which you have a job vacant in a certain area and a qualified man to fill it in another area, and the two have to be matched. That matching process may take some time, but usually it is accomplished. Perhaps the National Employment Service would be the best organization to deal with such a matter.

Further, we in this country are plagued with seasonal unemployment, particularly in the construction industry. An additional difficulty comes about as a result of changes in style and design in the automobile industry, though that is a bit less troublesome than it was in a day that I can remember well.

Honourable senators, in addition to all of these categories we have still another, and it is a special one, that of the older worker. Of course, we have the young men who are coming up and looking for jobs. Also women are working in industry in large numbers, and they are essential. Then, we have the special problem of the unskilled workers, and of the men with special skills which have become obsolete.

I can tell you, honourable senators, that the more we considered this unemployment problem in committee, the more frightened I became, and the less hopeful I was of our being able to reach a quick solution. Whether this committee, after its study, will be able to suggest a solution, I do not know, but I do know that the method of going about it is the right one. We are getting good leadership from the chairman, and on this very active subcommittee we have good men working. If we cannot suggest a solution, at least we shall be able to make known the problem which will have to be faced by the country.

I speak from what little knowledge I have. Without knowing the details, as I see it this problem is bound to involve public action, and by that I mean Government action, on a very large scale. Even a stopgap solution in the early days will, I think, involve the spending of very large sums of money. But, in my view, in the end this will be much cheaper than allowing unemployment to continue.

Honourable senators, I just wanted to let this house know the problem which will face it when we come back here next session, and also some of the steps that are being taken by the committee, with the consent of the Senate, in order to enable it to give this problem the very best study possible.

Hon. W. Ross Macdonald: Honourable senators, I am pleased that the Chairman of the Special Committee on Manpower and Employment (Hon. Mr. Méthot) has made a report on the work that has been done by the committee so far. I had hoped that there

might have been some constructive suggestions for relieving the present situation. We are now in the month of July and there is still considerable unemployment in Canada. It is true that, according to the latest figures, the number of unemployed is down from the total for the previous month, but at the same time it is considerably higher than the total for the same month last year. Unemployment is not becoming less as time goes along but, on the contrary, it is increasing. The problem which was with us in January last is with us to an even greater extent in July.

As honourable senators know, the months of July and August are the period of highest employment in this country. If there are more unemployed now than there were at the same time last year, the prospects for the future are not too bright.

Unemployment is a very grave problem, and one which I have no doubt is causing the Government great concern. This committee has been set up with one aim in view, as was suggested by the honourable senator from Toronto-Spadina (Hon. Mr. Croll) and that is to assemble all available information to enable the Government to bring forward solutions for relieving the present situation. The aim is not to create problems for the Government, but rather to ease existing problems and thereby give more employment. It is a very worthy aim and we shall all be anxious to carry it out.

I listened with interest to the report of the chairman. No doubt the committee is going about its work in the right way and a mass of material should be available when we reassemble next session. It is unfortunate that this material could not be available in, say, October so that the problem could be tackled then. However, I do not suppose the committee would hold back any information it may have obtained at that time if it could be of assistance to the Government. It will not be bound to hold back all the information until Parliament reassembles. It is true there could be no report to Parliament, but if this group of three or four specialists procures any information which would assist in solving the unemployment situation in the fall I hope it will not hesitate to hand that information over to the Government. I wish to make it abundantly clear that so far as I am concerned—and I think I speak for all honourable senators—our one aim is to relieve the distress which results to everyone in our country when there is great unemployment.

I have noted with interest that it is the intention of the Government to propose that this committee be set up again next session. But even if the Government did not do this I think the Senate would take it into its own hands to reconstitute the committee. However, there will not be any problem in this regard, because the Government is going to go along with the suggestion.

Honourable senators will recall that the establishment of a committee such as this was suggested in the Senate on January 27 last. If the committee had been set up at that time we would have had a different report today, but it was not set up until some time in May, four months later.

Hon. Mr. Aseltine: The Easter recess intervened.

Hon. Mr. Macdonald: Yes, but this group of three or four could have done some work during the Easter recess. I do not think there was any excuse whatsoever for the delay in setting up the committee. If it was a good idea on May 10, it was an even better idea on January 27. Had the committee been appointed then we could have had by now a report containing helpful suggestions to the Government.

I trust that the committee will be reconstituted shortly after Parliament convenes next January. One of the first things this house should do at that time is to get the committee working. In that way we can be of service to the country and to the Government.

Report adopted.

EXCHANGE STABILIZATION FUND

SALE OF AMERICAN FUNDS DURING MAY

Hon. A. Neil McLean inquired of the Government, pursuant to notice:

In view of press reports that, during the month of May 1960, the Bank of Canada, through the Exchange Stabilization Fund, sold $101 million of American funds for Canadian exchange, thus supporting the Canadian dollar:

1. What was the net amount of American funds sold by the Exchange Stabilization Fund during the month of May 1960?

2. What were the reasons for the sale?

3. What were the effects of this sale on the premium of the Canadian dollar?

Hon. W. M. Aseltine: I have the following answer to the honourable gentleman's inquiry:

1. $101,500,000.

2 and 3. The operations with respect to the Foreign Exchange Control Fund which have been carried on recently were completely in accord with the method of operation carried on by the Bank of Canada on behalf of the Minister of Finance ever since this Government came into office, and prior to that time by the former Government. There was no change in policy nor in the basis of operation. These were simply normal operations

carried out with a view to reducing the fluctation in the exchange rate from day to day.

PARLIAMENTARY BUSINESS

On the Orders of the Day:

Hon. Jean-François Pouliot: Honourable senators, before the Orders of the Day are proceeded with may I be permitted to put on record some figures indicating the number of printed pages that every member of Parliament, both in the Senate and in the House of Commons, has to read during a session? The Canadian people are not familiar at all with the work of Parliament and they do not imagine how exacting it is. In the first place there are the bills, which are the purpose or *raison d'être* of the sittings of Parliament. Leaving aside the bills that have not passed the House of Commons we have, not counting approximately 600 divorce bills—

Hon. Mr. Roebuck: You do not read them, do you?

Hon. Mr. Pouliot: —we have had so far this session 36 Senate bills and 81 bills that have passed the House of Commons. Many other bills have been sponsored in that house but have not reached the final stage there.

It is difficult to give the pagination of all these bills because each bill is paginated separately, but to give an idea, Bill C-83 of the House of Commons, to amend the Canada Elections Act, contained 259 pages. That was one bill. The reading of the contents of bills is often very difficult and requires a lot of care, because sometimes the phraseology of the law is not as good as it should be. It is not always as clear as spring water.

The Senate *Hansard,* for 76 sittings, has 1,134 pages.

The *Minutes of the Proceedings* of the Senate contain 681 pages. In addition there are the Routine Proceedings, Orders of the Day and lists of meetings of committees, which are paged in Roman numerals, the total of which I am unable to state as it would take too long to count them.

The Standing Committee on Banking and Commerce had a report on Bill S-25, 60 pages.

The Standing Committee on Transport and Communications had a report on Bill C-72, 21 pages.

The Special Committee on Land Use in Canada, a most valuable committee whose deputy chairman, the honourable senator from Montarville (Hon. Mr. Bois), made an excellent speech on the subject last night, had eight sittings, and the reports of its proceedings run to 250 pages.

The Joint Committee of the Senate and House of Commons on Indian Affairs had 15 sittings, and its reports total 1,417 pages.

The report of the Standing Committee on Finance dealing with the Canada Council, contains 23 pages.

The Standing Committee on Divorce produced approximately 600 reports, averaging 10 pages each, a total of 6,000 pages.

The Standing Committee on Banking and Commerce, dealing with Bill C-68, had three sittings, and its reports thereon total 77 pages. And on Bill C-65 it had 16 pages.

All this printed material from the Senate totals 10,350 pages. And this excludes Senate bills.

The material from the House of Commons is still more considerable. The Orders of the Day have no continuous pagination. There is an issue of these orders for each sitting day throughout the session.

The Commons *Hansard,* for 133 sittings contains 7,017 pages. Naturally, to be informed about the legislation, a member of the Senate should know what is said in the House of Commons, and this necessitate a lot of reading.

The *Votes and Proceedings,* with Notices of Motions and Questions and lists of committee meetings, total 836 pages.

The Special Committee on the Public Service Superannuation Act, three sittings, 116 pages.

The Sessional Committee on Railways, Air Lines and Shipping—this is the C.N.R. committee—four sittings, 382 pages.

The Special Committee on Research, seven sittings, 298 pages.

The Special Committee on Human Rights and Fundamental Freedoms, eight sittings, 540 pages. And the committee has not yet made its final report.

The Standing Committee on Veterans Affairs, 10 sittings, 296 pages.

The Standing Committee on Agriculture and Colonization, 12 sittings, 629 pages.

The Standing Committee on Banking and Commerce, dealing with Bill C-58, the Combines Investigation Bill, 13 sittings, 769 pages.

The Standing Committee on External Affairs, 15 sittings, 360 pages.

The Standing Committee on Public Accounts, 15 sittings, 534 pages.

The Standing Committee on Estimates, 18 sittings, 524 pages.

The Standing Committee on Mines, Forests and Waters, 19 sittings, 399 pages.

The Special Committee on Defence Expenditure, 26 sittings, 625 pages.

The Standing Committee on Privileges and Elections, 20 sittings, 607 pages.

The Standing Committee on Railways, Canals and Telegraph Lines, dealing with the Jacques Cartier Bridge, 1,454 pages.

This makes a total of 15,386 pages for these publications from the Commons. Added to the figure I gave for the Senate, 10,350, it means that the total pagination of some of the publications of Parliament—some only—is 25,736 pages, excluding departmental reports, reports from the Crown companies, reports under the Combines Investigation Act, et cetera, et cetera, et cetera.

It is a good thing to publicize the work that is done by each individual member of Parliament. Sometimes one hears the complaint that the attendance in the Senate and in the House of Commons is not at its full, but the number of the publications and the size of them ought to command the attention of the public, as indicating the tremendous work that is done by the Canadian Parliament. This applies to both the House of Commons and the Senate, because the members of the House of Commons have to inform themselves on what is going on in the Senate by reading our publications, just as we have to inform ourselves by reading House of Commons material.

I leave it at that as a matter of thought for those who say that Parliament is doing nothing, that members of Parliament are idle and do not do their duty. I thought it was my own duty to put those figures on record for the information of my fellow Canadian citizens.

BUSINESS OF THE SENATE

Hon. Mr. Macdonald: Honourable senators, I presume the Leader of the Government (Hon. Mr. Aseltine) is about to move adjournment of the house. If so, may I be permitted to ask him what the order of business will be for tomorrow?

Hon. Mr. Aseltine: Honourable senators will remember that before we adjourned last evening I stated that we were right up to the minute in so far as our work in the Senate is concerned and were waiting on certain legislation from the other place. So far as I know, there is very little legislation left to come to the Senate this session. It consists of the Combines Investigation Bill, the Bill of Rights, and the final supply and supplementary estimates. We still have to deal with the Judges Bill, and can do so as soon as we are informed that the two resolutions for amendment to the British North America Act have been made to more or less coincide. That is the extent of the business yet to be completed. In addition, of course, there are estimates of several departments still to be dealt with in the other place.

The Combines Investigation Bill was reported out of committee in the other place this morning and I understand it will be given third reading tomorrow morning. If we receive the bill in this house tomorrow, immediately after it is given first reading I will propose that the debate on second reading commence forthwith, in the hope of completing the debate by Monday evening, so that if it is necessary for the measure to go to the Committee on Banking and Commerce it can be dealt with by that committee on Tuesday. We would then be ready to consider any further legislation that may come to us.

Hon. Mr. Horner: May I suggest to the honourable Leader (Hon. Mr. Aseltine) that if we are to meet on Monday, why could we not adjourn today until then?

Hon. Mr. Aseltine: I understand that a number of senators wish to speak on the Combines Investigation Bill. If we adjourned today until Monday it would be impossible to explain the bill and complete debate on second reading in time for the bill to get to committee on Tuesday morning.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Thursday, July 28, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Copy of the preliminary verbatim report of the Public Proceedings of the Dominion-Provincial Conference, held at Ottawa, July 1960. (English and French texts).

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Monday next, August 1, at 8 o'clock in the evening.

Hon. Mr. Hugessen: I wonder if my honourable friend could give us any indication of the work that is likely to come to us during the rest of the session.

Hon. Mr. Aseltine: I regret to report that the legislation we expected today has not materialized. I am informed we are not likely to receive the Combines Investigation Bill from the other house until some time Monday. As I said yesterday afternoon, we are right up to the minute with our legislation, so we necessarily have to adjourn today. I hope we shall be able to deal with both the Judges Bill and the Combines Investigation Bill on Monday and refer the Combines bill to committee, if necessary, some time on Tuesday. There will also be either interim supply or final supply for our consideration on perhaps Tuesday or Wednesday.

Hon. Mr. Hugessen: I hope my honourable friend is not expecting us to complete the debate on the Combines Investigation Bill on Monday evening. We have not got the bill yet.

Hon. Mr. Aseltine: I had made arrangements to have 50 copies in English and 30 copies in French of proofs of the amended bill distributed this afternoon if we had been able to proceed with the second reading. I understand that those copies have already been received or are on their way from the Printing Bureau. I hope, therefore, to be able to give a copy early this afternoon to any honourable senator who wishes one. I do not think we necessarily have to complete our debate on second reading of the bill Monday evening. We could make a start that evening and perhaps complete the debate early on Tuesday, and then refer the bill to a committee later that day or perhaps in the evening.

Motion agreed to.

The Senate adjourned until Monday, August 1, at 8 p.m.

THE SENATE

Monday, August 1, 1960

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

Prayers.

ROYAL ASSENT

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
OTTAWA

1st August 1960

Sir,

I have the honour to inform you that the Hon. Charles Holland Locke, Judge of the Supreme Court of Canada, acting as Deputy to His Excellency the Administrator of the Government of Canada, will proceed to the Senate Chamber today, the 1st August, at 8.00 p.m., for the purpose of giving royal assent to certain bills.

I have the honour to be,
Sir,
Your obedient servant,

E. Joly de Lotbinière.
Assistant Secretary to the
Governor General.

The Honourable
The Speaker of the Senate,
Ottawa.

The Senate adjourned during pleasure.

The Honourable Charles Holland Locke, Judge of the Supreme Court of Canada, Deputy of His Excellency the Administrator of the Government of Canada, having come and being seated at the foot of the Throne, and the House of Commons having been summoned and being come with their Speaker, the Honourable the Speaker of the Senate said:

Honourable members of the Senate:

Members of the House of Commons:

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

The Commission was read by the Clerk.

The Honourable the Deputy of His Excellency the Administrator was pleased to give the royal assent to the following bills:

An Act to incorporate The Evangelical Lutheran Church of Canada.

An Act to amend the Income Tax Act.

An Act respecting the Department of Forestry.

An Act respecting the franchise of electors and the election of members of the House of Commons.

An Act to amend the Canada Shipping Act.

An Act to amend the Freight Rates Reduction Act.

The House of Commons withdrew.

The Honourable the Deputy of His Excellency the Administrator was pleased to retire.

The sitting of the Senate was resumed.

THE CONGO

MESSAGE FROM COMMONS REQUESTING JOINT APPROVAL OF PARTICIPATION OF CANADIAN FORCES IN UNITED NATIONS OPERATIONS

The Hon. the Speaker: Honourable senators, a message has been received from the House of Commons informing the Senate that that house has adopted a resolution approving the participation of Canadian Forces in the United Nations operations in the Congo, and requesting the Senate to unite with that house in the approval of the same by filling up the blanks in the resolution with the words: "Senate and".

Honourable senators, when shall this message be taken into consideration?

Hon. Mr. Brunt: Next sitting.

Hon. Mr. Macdonald: Honourable senators, this is the first intimation I have had that this resolution would come before the Senate for approval. I do not think any of us have seen the resolution and I would ask that if possible a copy be made available to each honourable senator before the resolution is considered.

The Hon. the Speaker: I think that is a fair request. Is that agreed upon?

Hon. Mr. Brunt: Agreed.

DOCUMENTS TABLED

Hon. William R. Brunt tabled:

Revised estimates of expenditure and budget of the National Battlefields Commission, approved by Order in Council P.C. 1960-998, dated July 21, 1960, for the fiscal year ending March 31, 1961, pursuant to section 80(2) of the Financial Administration Act, Chapter 116, R.S. 1952.

The Canada Gazette, Part II, Statutory Orders and Regulations, 1960, Wednesday, July 27, 1960, and the Consolidated Index and Table of Amendments for the period January 1, 1955 to June 30, 1960, pursuant to section 7 of the Regulations Act, Chapter 235, R.S. 1952. (English and French texts).

NOTICES OF INQUIRY

FEDERAL ASSISTANCE TO REDUCE COSTS OF ELECTRICAL ENERGY IN NOVA SCOTIA

Hon. Wishart McL. Robertson: Honourable senators, I give notice of the following inquiry for Wednesday next:

I will ask the Leader of the Government in the Senate to make a statement of the progress that is being made under the special program of assistance by the federal Government to reduce the costs of electrical energy to industry in the province of Nova Scotia.

INDUSTRIAL WAGES IN NOVA SCOTIA AND ONTARIO

Hon. Mr. Robertson: Honourable senators, I give notice of another inquiry for Wednesday next:

I will ask the Leader of the Government in the Senate to make a statement as to how the scale of wages and salaries presently paid in steel manufacturing, textile manufacturing and shipbuilding, together with those employed in the generation and distribution of electrical energy in Nova Scotia, compares with the scale of wages and salaries currently paid in like industries in the province of Ontario.

May I say to the Leader of the Government in the Senate (Hon. Mr. Aseltine) that I realize that it may take some time to obtain this information. If Parliament should prorogue before the information is supplied I suggest that it might be forwarded to me.

Hon. Mr. Brunt: Agreed.

LEADER OF THE GOVERNMENT IN THE SENATE

Hon. Mr. Robertson: I also wish to give notice that on Wednesday next I will inquire of the Deputy Leader of the Government in the Senate (Hon. Mr. Brunt) as to when the Leader of the Government in the Senate (Hon. Mr. Aseltine) is to be named a member of the present administration.

JUDGES BILL

MOTION FOR SECOND READING—DEBATE ADJOURNED

Hon. John M. MacDonald moved the second reading of Bill C-78, to amend the Judges Act.

He said: Honourable senators, before speaking to this motion I want to take a few moments to express my thanks for the welcome given to me by the members of this chamber. It was a kind welcome; it made me feel at ease in new and strange surroundings; it made me feel that I was at once accepted as a colleague by all members. I may say I was not greatly surprised to be welcomed by the senators from the province of Nova Scotia, as it is well known that we are inclined to be a somewhat clannish people. I was however, surprised, though delighted and gratified, by the warm words of welcome expressed, both in this chamber and without it, by honourable senators. I thank you, Mr. Speaker, and all honourable senators, for making my appearance here such a happy experience, and I assure you I deeply appreciate it.

Honourable senators, I come to the bill before us. During the past number of years a bill has been introduced pretty well each year to amend the Judges Act. Usually the amendment is to provide for appointment of additional judges and payment of their salaries. However, Bill C-78 goes further than the usual amendment, and I think what it does might be divided into four parts. First, it provides for appointment of four additional puisne judges of the Superior Court of Quebec, and also provides for payment of their salaries. Secondly, the bill changes the method of payment of travelling allowances to judges. Thirdly, it provides for payment of pensions to judges upon attaining the age of 75 years and retiring from the bench. Fourthly, it improves the present law relating to payment of pensions to judges and their widows.

Perhaps, honourable senators, I could speak for a few moments on each of these four points I have mentioned.

In the province of Quebec, I understand, legislation has been passed which provides for appointment of six additional judges to the Superior Court. I understand that after this legislation was passed some discussions took place between the Government of Quebec and the Department of Justice and agreement was reached whereby four additional judges would be appointed at this time. This was done to see whether or not with the appointment of these four additional judges the work of the Superior Court of the province of Quebec could be carried on in an expeditious and efficient manner. I also understand that if it is found that the appointment of four additional judges for that province is not sufficient, then consideration will be given to the appointment of two more.

The second matter dealt with in the bill is that of travelling and other expenses of judges in attending sittings of the court. The proposed changes are contained in paragraph (b) of clause 2 of the bill. This provides for payment of reasonable travelling and other expenses incurred by a judge in attending to his judicial duties in a place other than where he is by law obliged to reside.

Under the present law judges are allowed $12 a day for such expenses if the sitting takes place in a city and $8 a day if the sitting is in a place not a city. In special circumstances these rates can be increased to $15 and $12 a day, and for the purpose of the act a place with a population of less

than 5,000 is deemed not to be a city. Apparently this arrangement has not proven to be satisfactory as experience has shown it is not possible to establish a fixed rate throughout the whole of Canada. So the method proposed is to reimburse judges for their actual out-of-pocket expenses, and this amendment so provides.

Honourable senators will note that subclause (2) of clause 2 of the bill repeals subsection (6) of section 21 of the Judges Act. This section requires that the accounts for travelling expenses of judges in Quebec be certified by the Chief Justice of that province. There appears to be no reason for this and it is proposed to repeal this provision.

I come now to the third division I have used in discussing this bill. Honourable senators will note that the payment of pensions to judges upon attaining the age of 75 years and retiring from the bench is covered by clause 3 on page 2 of the bill. This provision corresponds to section 24 of the present Judges Act. However, the present act is restricted in that it is confined to judges of the Supreme Court of Canada, the Exchequer Court of Canada, and the courts in the Territories. The provisions of the Judges Act relating to annuities for superior and county court judges are somewhat different. Under the proposed amendment to the British North America Act judges of the superior court will also cease to hold office on attaining 75 years of age, and paragraph (d) of clause 3 provides a uniform retiring annuity to all judges retiring at the age of 75 years, which is similar to that presently in effect in regard to judges of the Supreme Court of Canada and the Exchequer Court. In this paragraph (d) the requirement is for a minimum of 10 years in judicial office. However, an exception is made in the case of a judge now holding office. A judge presently holding office who has retired on attaining the age of 75 years by reason of the proposed amendment to the British North America Act will be eligible for a full pension regardless of the length of time he sat on the bench.

My fourth division of the bill relates to the payment of pensions to judges and their widows. These changes are contained in paragraphs (a), (b) and (c) of clause 3 of the bill and in clause 6 of the bill.

At the present time, under section 23 of the Judges Act, a judge who has continued in office for 15 years may be granted a pension if he resigns his office. However, section 30 of the same act provides no pension shall be paid unless the Governor in Council is of the opinion it was in the public interest that such judge resign his office. It is felt that a judge who has served for at least 15 years and who has attained the age of 70 should be able to retire on pension without the implication that his resignation is in the public interest. Clause 5 of the bill repeals section 30 of the Judges Act in which these restrictions exist.

Paragraph (b) of clause 3 of the bill deals with the case of a judge who has held office for at least 15 years but who has not attained the age of 70 years and who wishes to retire on pension. Under this bill the Governor in Council must be of the opinion that the resignation is conducive to the better administration of justice or is in the national interest. Under the present Judges Act, judges of the county court could retire under certain circumstances. Now it is proposed to make 15 years the minimum term of all judges regardless of the court in which they sit, as there appears to be no valid reason for making any distinction.

Paragraph (c) of clause 3 of the bill provides the Governor in Council may grant a pension to a judge who has become disabled, regardless of his length of service. This does away with the requirement that such resignation must be in the public interest.

Clause 6 of the bill repeals section 8 of An Act to amend the Judges Act, and the judicature provisions of the Yukon Act and the Northwest Territories Act, being chapter 48 of the Revised Statutes of Canada, 1955. This particular section refers to pensions for judges which were related to their salaries, as such salaries were, prior to the salary increase granted to judges in 1955. By this amendment pensions for judges and their widows will be based on their actual salaries, which of course takes into account the increase granted in 1955. And paragraph 2 makes this section broad enough to include all judges who have retired on pension after July 11, 1955, the widows of such judges, judges now sitting and all judges who will be appointed in the future.

Honourable senators, I do not know if there is much I can usefully add at this time. I would expect there are points on which more information may be desired and which could be discussed in greater detail in committee, and I propose to move at the proper time that the bill be referred to the Standing Committee on Banking and Commerce.

Honourable senators, I thank you for the kind attention you have given to me on this my first speech as a senator.

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

BUSINESS OF THE SENATE

Hon. W. M. Aseltine: Honourable senators, the Combines Investigation Bill, which I expected would have reached us this evening from the other place, has not yet arrived. As the debate on the Judges Bill has been adjourned, that completes our work for this evening.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, August 2, 1960

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

Prayers.

COMBINES INVESTIGATION BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-58, to amend the Combines Investigation Act and the Criminal Code.

Bill read first time.

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

Hon. Mr. Aseltine: Later this day.

INTERNAL ECONOMY

REPORT OF COMMITTEE RE SIMULTANEOUS TRANSLATION SYSTEM

Hon. William R. Brunt, Chairman of the Standing Committee on Internal Economy and Contingent Accounts, presented the committee's fifteenth report:

Your committee recommend that a simultaneous translation system be installed in the Senate chamber; that the Department of Public Works be requested to make the installation; and that the Department of the Secretary of State be requested to provide the translators required for the operation of the system.

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

Hon. Mr. Brunt moved that the report be placed on the Orders of the Day for consideration on Thursday next.

Motion agreed to.

JUDGES BILL

SECOND READING

The Senate resumed from yesterday the adjourned debate on the motion of Hon. Mr. MacDonald (Cape Breton) for the second reading of Bill C-78, to amend the Judges Act.

Hon. T. D'Arcy Leonard: Honourable senators, at the outset may I compliment the honourable senator from Cape Breton (Hon. Mr. MacDonald) on his first speech in this house. It was appropriate that as a lawyer his first speech should be on a bill in connection with judges. Traditionally, Nova Scotia has given the rest of Canada some of its best judges, as well as some of its best lawyers and teachers of law. It is rather interesting to me to note that since I came to this house this is the first occasion on which a member of the bar of Nova Scotia has been appointed to the Senate. I am very happy to welcome the senator from Cape Breton in both capacities, and to express the hope that we shall hear from him in this house many times in the future.

The honourable senator divided the Judges Bill into four parts. However, I think it is fair to say that the main purpose of the bill is to increase judges' pensions, and it might be described as complementary to the resolution adopted by this house for an address to Her Majesty the Queen requesting an amendment to the British North America Act to provide for the compulsory retirement of superior court judges at the age of 75 years. The bill has been standing on our Order Paper ever since we amended the original resolution for the address. It now comes forward for second reading after the other place has had the opportunity of considering the amended address and has rescinded its original address and passed a new one identical with the address as it passed this house, eliminating county court judges from the original provision. The sequence of events shows how the two measures are tied together, and I think it is a fair deduction to make that the increase in judges pensions provided under this bill would not have now been made if it were not for the decision that superior court judges should be compulsorily retired at the age of 75 years. My own view is that the increase in pensions should have been made in any event, regardless of the compulsory retirement feature. I think a mistake was made in 1955 when judges' salaries were increased but no corresponding increase was made in judges' pensions, and this measure now corrects that error.

The pension authorized by this bill is a fair and adequate one. I still hold to the opinion that I expressed in the debate on the address, that the compulsory retirement of sitting judges is a breach of faith and that they should have been allowed to elect to retire. But having said that I would add that most sitting judges should agree that this pension now provided is fair and adequate and therefore they would have voluntarily elected to retire at 75 on this pension if they had been given that option.

Accordingly, I am fully in accord with this bill and will support it. However, I cannot refrain from contrasting the treatment accorded to judges under this bill with the pension provisions about which I spoke on a previous occasion in this house, namely,

those made for our federal legislators. In my remarks on March 31 last I said that the present pension provisions for members of the House of Commons were inadequate and ungenerous, and I repeat that statement. The allowances that we are making by this bill for judges are in sharp contrast with what we do for members of the House of Commons, our cabinet ministers, and particularly for the holder of the highest public office in the gift of the people of Canada, the Prime Minister.

Let me put the facts on the record.

Superior court judges now receive a salary of $16,900 a year. The pension under this bill is two-thirds of that amount, namely, $11,266 per year during life, and if a judge dies leaving a widow she will receive $3,750 during the rest of her life. The pension is non-contributory; that is, the judge makes no direct contribution to it at all. He may receive that pension even though he has served as a judge for only 10 years; if he has served 15 years he may receive that pension at the age of 70. If he is a chief justice, and therefore receiving a higher salary than $16,900, his pension will be proportionately higher.

Now let me turn to the other side of the picture and compare those pensions with the provisions made for our federal legislators and ministers. In the first place, to be eligible for a pension a member must have served in at least three Parliaments—he must have been elected, re-elected and again re-elected, thereby proving his electors had confidence in him. Unless he has been elected three times he gets no pension whatsoever. The pension is contributory. The member contributes 6 per cent of the first $4,000 of his indemnity, and the pension he receives is calculated at the rate of $180 for each year of service. The maximum pension that he can receive is $3,000 a year, and in order to receive that amount he himself will have had to contribute a total amount of $4,000, and his period of service in Parliament will have had to amount to at least 16⅔ years. Such maximum pension of $3,000 is reduced to $2,340 a year when the recipient becomes 70 years of age. That is to say, the old age pension is integrated into the member's pension, whereas judges get their old age security pensions over and above the judges' pensions. So the true comparison at age 70 or over is between a pension of $11,266 for a judge and a pension of $2,340 for a legislator, with a judge's widow getting $3,750 a year, an amount in itself more than the legislator receives, while the widow of a member of Parliament gets nothing.

Now, I realize that there are differences between the two positions. Some may wish to point out that a judge holds a full-time position, that he must give up his law practice in order to go on the bench, whereas in theory, a member of Parliament can still practice law, or medicine or carry on a business. They might also point out that the administration of justice is so important and so vital to the country that we must seek to have our best lawyers accept positions on the bench, and therefore the remuneration, including pension, must be attractive. I do not accept these arguments as validating the extreme discrimination against members of Parliament.

I need not elaborate on the answer to the question as to whether a member of Parliament has a part-time occupation. Anyone who has sat in Ottawa from last January until now knows that, whatever may be the theory, the fact is that being a member of the House of Commons is a full-time occupation, an expensive occupation, and all too often a thankless one.

As to the need to get good men for the judiciary, we must remember that our democratic system has three branches of Government: the executive, the legislative and the judicial, all equally important. They form the three pillars of our social structure. To make that system function best we must have the best men available in all three branches. It is important to have good men on the bench to interpret the law. It is surely equally important to have good men make those laws. It is in the interests of the people who are being governed that the rewards offered for those who are to govern should be sufficient to attract the best men possible. We see the need for this in the case of the judiciary. We seem reluctant to open our eyes to the same need in the case of the legislators. By any fair standard of comparison the scale is heavily weighted in favour of the judges, and the pensions of federal legislators are unjustifiably low and should be substantially increased.

It is not sufficient to say that a man does not have to be a candidate for Parliament unless he wishes to be—that he makes the choice of his own free will, and that he knows what will be the rewards, or the lack of rewards, when he throws his hat in the ring. The crux of the matter is that the importance of governing this country, of making the laws under which we are to live, the responsibilities which these delegates chosen by the people must carry, warrant a remuneration sufficient to attract the best available candidates and to encourage the most public-spirited citizens to be willing to accept those heavy and important duties and responsibilities.

Since I spoke on this matter in this house on March 31 last there has been one interesting development that I should like to mention. The province of Ontario has passed legislation dealing with the indemnities and pensions of members of the provincial Legislature. It has enacted a new pension plan, under which members contribute 6 per cent of their indemnities, but providing much greater benefits than the federal scheme. The maximum pension is $5,000 per year, and as there is no decrease when the recipient reaches 70 years of age it is more than twice as large as the $2,340 received by a federal member. To obtain this pension the member of the Legislature has to serve the same period of time as the member of the Commons, namely, 16⅔ years.

In addition, and I think this is very important, under the Ontario plan the widow of a member of the Legislature is entitled to an annuity equal to one-half of the pension to which the member was entitled.

Furthermore, the pension is geared to the salary in the case of cabinet ministers, whereas in the federal pension scheme all members are on the same basis and a cabinet minister or a Prime Minister gets exactly the same as a private member of Parliament. Under the Ontario plan the pension of a cabinet minister can run as high as $11,000 a year, and that of a Prime Minister as high as $13,000 a year. This principle of pensions graduated to wages or salaries is almost universal in pension plans for employees of businesses and the Civil Service in Canada and elsewhere and it is extraordinary that it is not in effect in the federal plan.

I believe these pension provisions made by the Ontario Legislature were acceptable to the people of that province. Certainly I neither heard nor read criticisms. No doubt one reason this problem has not been better managed at Ottawa is the fear that because the legislators would have to vote these benefits for themselves they might be accused of being selfish or grasping. I think that idea is a mistaken one. The case is too strong, too clearly right, too justifiable in the interests of the people for any government or any legislators to hesitate to support it and to implement it. I feel certain that public opinion will endorse this view.

The strongest argument I can make is to compare the way our federal pension plan applies to our former Prime Minister, Mr. Louis St. Laurent, with the treatment he would receive if, instead, the Ontario plan were applicable to him. He served as a member of Parliament for over 16 years, he was a cabinet minister for over 15 years and he was Prime Minister for over 8 years. For his services as a member of Parliament he is entitled to the maximum pension of $2,340 a year. For his service to the country as Minister of Justice, Minister of External Affairs and as the leader of this country he receives no pension whatsoever. If the present pension plan of the province of Ontario were applicable to such a record of service the pension would be $13,000 a year, and on his death his widow would receive $6,500 a year.

It is a startling contrast. We pride ourselves on being a great country. In this case we can hardly pride ourselves on being a grateful country.

I have previously mentioned that the United Kingdom as long ago as 1937 provided a pension for its Prime Minister, and that in 1959 the United States established a pension of $25,000 a year for its President, who, as we all know, cannot serve for more than eight years, and may serve for only four years. Honourable senators may be interested to know something more about the pensions for members of the United States Congress. To start with, their salaries are $22,500 a year, compared with the indemnity of $8,000 and the expense allowance of $2,000 to our House of Commons members. They contribute 7½ per cent of their salaries for the pension benefit, compared with our 6 per cent on the first $4,000. The pension is equal to $562.50 for each year of service, with a maximum pension of $18,000 a year, and the member of Congress may receive a pension after only five years of service. After 16⅔ years of service the pension would be $9,300 a year, compared with our $3,000—or $2,340 after age 70. So I would summarize the comparison by saying that the United States pension is at least three times as beneficial as is our federal plan.

Apropos of judges' pensions, it is interesting to note that all but one of the Prime Ministers of Canada since 1900 have been lawyers—Laurier, Borden, Meighen, Bennett, St. Laurent and the present Prime Minister—with only Mr. King to break the chain. I mention those names for this reason: everyone knows that, had they not gone into public life but stayed in private practice, they were eminently fitted by their knowledge of law and of practice and by their talents to hold judicial appointments. Instead, they chose public life, a life of service to the people of Canada. Do we consider that in making that choice they did something that made them less worthy than judges to receive tangible rewards for their services? Surely, the answer is "No". Surely, this is something that we have overlooked, but surely the time has come to rectify the oversight.

I might be asked, "What do you think the pension should be?" It is not for me or for us in this house to answer that question

specifically. But this much we can and should say. On the basis of the amount of time involved, the distances from home and the greater responsibility, the pensions for federal legislators should be larger than those provided for provincial legislators in Ontario.

At the recent Dominion-Provincial Conference the Prime Minister of Ontario asked the federal Government for a very substantial additional grant because of the needs of the province. I think Mr. Frost would agree that even before he received one dollar toward this additional grant it would be only right that the legislators at Ottawa should receive at least the equivalent of the pensions which the Ontario members and ministers now enjoy.

Presumably it is too late this session to do what I suggest. I sincerely hope that the next session will see the passing of an act to remedy the discrimination.

I am glad to support this bill, but it cries out for a companion measure. We are now doing justice to the judges. Let us also do justice to our lawmakers.

Hon. W. Ross Macdonald: Honourable senators, at the outset I would like to join with the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) in congratulating our new colleague from Cape Breton (Hon. Mr. MacDonald). It was my privilege to be the first member of this house to extend a word of welcome to him. At that time I said I was sure he would contribute greatly in the near future to the work of this house, and my prediction was borne out last night when the honourable senator made his first address in this chamber.

The honourable senator from Toronto-Rosedale said that some of our best lawyers and best judges come from the province of Nova Scotia. I presume he had in mind, among others, the present Lieutenant-Governor of Ontario. I am sure the honourable gentleman from Toronto-Rosedale would agree that some of our best senators too come from Nova Scotia. He mentioned the fact that, with the exception of the late Right Honourable W. L. Mackenzie King, all the Prime Ministers of Canada during the present century have been lawyers. But I would like to point out that Mr. King was an honorary member of the bar of the province of Ontario, and as a matter of personal satisfaction I might mention that my own daughter was called to the bar of Ontario on the very same day he was made an honorary member.

I agree wholeheartedly with everything the honourable senator from Toronto-Rosedale has said with respect to the inadequacy of the pensions now being paid to ex-members of the House of Commons. He said they were inadequate and ungenerous, and I would add the adjectives meagre, scanty and unrealistic. He pointed out that being a member of Parliament at Ottawa is a full-time occupation. This is so much so that it practically prohibits a member from resuming his business successfully should he not be returned to Parliament after having served here for any length of time. There is no doubt that if a lawyer is sitting in Parliament at Ottawa his clients are not going to wait indefinitely for his return. The same thing applies to doctors and men in practically every field of endeavour. There are few members of Parliament who can arrange to have their business or professional affairs carried on satisfactorily during their absence. If a member of the House of Commons happens to retain his seat for quite a few years and stays here until he reaches the age of 70 it is almost impossible for him to resume the business in which he was occupied before he entered Parliament, and in such a case he must rely almost entirely upon his pension, which amounts to the great sum of $2,340 per annum.

I was surprised to learn the amount of pension for which members of the Ontario Legislature will be eligible. I think it is a fair pension and I am not criticizing it in any way. I was impressed to hear that the province had tackled the question and had come up with this amount. The honourable senator from Toronto-Rosedale said, if I followed him correctly, that anyone who had been a member of the Legislature for 16 years would be entitled to a pension of approximately $5,000 a year. Just compare that with the pension provided for a member of the federal Parliament. I know that the members of the Legislature have important duties to perform. A great deal of their time is taken up with the business of their constituencies at home when the Legislature is not sitting. However, it is most unusual for the Legislature to sit for more than six or eight weeks annually.

Hon. Mr. Roebuck: Six weeks.

Hon. Mr. Macdonald: Compare that with our long session. We came here on January 15. The length of the present session is not unusual. So far this session has lasted probably a week or two weeks longer than the last one did, but by and large we sit here from six to eight months a year, and it is a full-time occupation. There is no doubt that the work of a member of the Legislature is much lighter than the work of a member of the House of Commons, and that a member of the Legislature is in general required to spend relatively much less time away from home. I do not think there is any doubt that the whole question of the payment of pensions to members of the

House of Commons should be reviewed. The honourable senator from Toronto-Rosedale referred to the fact that the Legislature did not hesitate to review the pension question. I do not think this Government will hesitate to review it. I criticize the Government often, as honourable senators know, but it faces up to some issues and I think it is prepared to face up to this one. One thing I can say is that in doing so it would have the wholehearted support of the members of this house.

The honourable senator from Toronto-Rosedale also referred to the fact that a former Prime Minister does not receive a pension as such. It is true that he is paid a small pension as a former member of Parliament, but we do not recognize in any way the public service that a Prime Minister has rendered to his country. When his term of office ends he goes out. Of course, he is respected by the people. We have great respect for the two Prime Ministers who formerly were in Parliament, namely, the Right Honourable Arthur Meighen and the Right Honourable Louis St. Laurent, but we have not recognized them in any special way. Great Britain, the United States and Australia give special recognition to the former heads of their governments, but in this forward-looking Canada we are so taken up with the things of today that we forget the services rendered by distinguished statesmen in years gone by. Irrespective of the meagreness of the present pension paid to former members of Parliament, I think we should show some recognition of the public service of ex-Prime Ministers by granting them a reasonable pension. I strongly support all that the honourable senator from Toronto-Rosedale said, both in respect to pensions generally and to ex-Prime Ministers.

Now, honourable senators, let me refer briefly to the bill. I approve everything that is in the bill, but I do not think it goes far enough. I have been in complete accord with the honourable senator from Toronto-Rosedale up to the present moment, but I am not going all the way with him. So far as the judges who are to be appointed in the future are concerned, I think, to use the honourable senator's own words, the pension provisions of the amending bill are fair and adequate, but I do not think they are fair and adequate with regard to the judges who are being compulsorily retired. Unlike the honourable senator, I thought that all judges upon attaining the age of 75 years, or who have already attained the age of 75, should be retired, and even after listening to the eloquent addresses of some honourable senators in this house my view has not changed in that respect. I still think it is in the interest of the administration of justice in Canada that all judges, whether heretofore or hereafter appointed should be retired at the age of 75. Having said that, I would add that I think the judges who are being compulsorily retired should get some special treatment. There is one precedent for giving these judges special treatment, and there is only one precedent on which we can go. I well recall the fact that in 1927—we heard it said so often in the debate on the resolution for amendment of the British North America Act—the judges of the Supreme Court of Canada were compulsorily retired at the age of 75 and they received the same pension as other judges; but we were also told, and this is the precedent, that in 1930, with the approval of the then Prime Minister, the Right Honourable MacKenzie King, the then Minister of Justice, the Honourable Ernest Lapointe, the then Leader of the Opposition, the Right Honourable R. B. Bennett, and the Honourable C. H. Cahan, the pension was increased to the amount of the salary which the judges had been receiving at the date of retirement.

Honourable senators, it has been argued in this house that there was no contract with the judges, and I am inclined to that view. However, there was an understanding—I will go along with the honourable senator from Toronto-Rosedale to that extent—on the part of every judge that he would stay on the bench for the rest of his life. Now the judge is being told that he should leave the bench at 75. I do not think he should get just the same treatment as is to be given the judges who are appointed hereafter. It would not cost the country a great deal of money to be fair in this matter. I understand there are twelve judges who are being retired on account of having attained the age of 75 years. The difference between their salary and pension is, we will say, roughly $6,000. Thus it would cost a total of $72,000 yearly during the lives of these judges to give them the treatment which I think they should receive.

Hon. Mr. Brunt: Would they not then get preferred treatment over the other judges who were appointed for life and who would not be retiring until some time in the future? I do not think you can consider only the twelve judges who are retiring this year; you have to look at all the judges who are now on the bench. Should they not all be entitled to the same treatment?

Hon. Mr. Macdonald: There is no difference of opinion between the honourable gentleman and myself in that respect. It is true that other judges will become eligible for retirement as time goes on. There are in all 168 judges now sitting on the bench in the

superior courts, but they will not all be eligible for retirement in one year; it is likely that for a number of years, probably five or six or seven—I don't know how many years —about twelve judges would be receiving their full salary but not actually sitting on the bench. The total annual cost would be $72,000. There could then be no question about our Government and the people of Canada being fair with those who had been appointed to this office.

Honourable senators, if it were in my power, when this bill gets to committee I would not hesitate to move an amendment to that effect, but as honourable senators know such an amendment would be impossible under our Constitution. All I can do is make a strong appeal to the Leader of the Government (Hon. Mr. Aseltine) to bring these representations to the attention of the Minister of Justice. I would hope it might be possible for the minister himself to come to the committee meeting, when I would be prepared to make these representations to him.

I think we should end for all time this question as to whether there was fairness or unfairness in summarily retiring these judges. Honourable senators may not be prepared to go along with me as far as I have gone, but that is the way I feel about this and I still hope the Government will do something about it.

Hon. Jean-François Pouliot: Honourable senators, I have listened with a great deal of interest to the speech of the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) and that of the honourable Leader of the Opposition (Hon. Mr. Macdonald).

The bill refers to judges, and mention was made of the address that was passed by the Senate for an amendment to the British North America Act. The Senate in its wisdom decided to modify the resolution as received from the House of Commons and some members of that house who are not always generous in their statements about the Senate complained bitterly that the Senate had taken such a course. That is a matter which I cannot understand. When the Senate adopts legislation which comes from the House of Commons without amending it, a group of members of Parliament complain that the Senate is doing nothing; but when the Senate takes action, and very sensible action, they complain that the Senate is usurping their rights and prerogatives. It is not very logical. There should be more harmony between both houses of Parliament, and the members of the House of Commons should rejoice when the Senate brings to their attention possible improvement to the legislation. We are here for that.

The people in this country expect every honourable member of this house to speak at full liberty according to his own beliefs on any matter that he feels like speaking on. Very often I have met people who did not agree with what I had said but who congratulated me just the same for having said it, because they believed in the freedom of each public man to express his own thoughts and beliefs whenever the occasion occurs. The Senate passed a resolution for which you, honourable colleagues, deserve to be commended, because you did not act as rubber stamps for legislation that was submitted to this house. We have made a change, and a practical one, a change that is in accordance with the best constitutional traditions.

Now, with regard to the retirement of judges at 75, my honourable friend from Toronto-Rosedale (Hon. Mr. Leonard) at first objected to the retirement of judges at that age, and one of our colleagues made a lengthy speech in which he gave the same status to the members of the bench as to his most prosperous clients—he treated the judges as if they were the British Columbia Power or some other organization of that kind. The judges are very different from those concerns and they should be compared rather to King Solomon than to such financially powerful companies.

As to the retirement of judges, the law is changed. Until the resolution is approved by Her Majesty's Government the judges will remain in office during good behaviour, which may mean physical capacity. According to the dictionary, behaviour has a meaning of comportment. If it is argued that a judge should be retired because his behaviour is not satisfactory, it may mean because of a decline in his memory, a decline in his physical faculties, a decline for which he could not be held responsible. Honourable senators, I want to be well understood about this because I have great respect for the judges. And at this point I must compliment also our new colleague from the breezy province of Nova Scotia, the new senator from Cape Breton (Hon. Mr. MacDonald), who did so well in sponsoring this bill yesterday. There was nothing offensive toward the bench in what has been suggested and done by this chamber. This is to satisfy the minds of all judges.

I might mention a gentleman who died not long ago, Mr. Justice Laurendeau, who, when he left the bench, became solicitor for the city of Montreal. He seemed very happy in that position. I could mention numerous other examples in the province of Quebec. We meet these gentlemen, and they look much happier and less worried than when

they were on the bench. This is the experience of a lawyer who has occasion to speak to them at times.

We had a request—a most unusual request, because it came from all the Attorneys General for the provinces, and the whole bar association—asking for the retirement of judges at 75. I have privately made the suggestion that all the judges of the superior courts should be appointed and paid by each province, because they sit on provincial courts, although at the present time the judges who sit on those courts are appointed and paid by the Government of Canada. I find it remarkable that those who have authority to come to the Government and to ask for a change in the Constitution and for new legislation have agreed together; they have come to Ottawa; they have been listened to by the Government.

Although I consider myself a Liberal by conviction, I must congratulate the Government for having agreed to the request from the Attorneys General of the provinces, without exception, and from the bar association. What is the use of having an association of the members of the bar if it is not listened to by the Government when it makes a request of such importance? It takes courage for the members of the bar, who have to appear before the judges, to make representations of this kind.

Until now it has been very satisfactory. The address to Her Majesty's Privy Council has been passed and there will be good results. My honourable colleague who spoke before me agreed that under this new legislation the judges will be treated very fairly, as they deserve to be treated, and they will have no reason to complain.

The question was raised that the Parliament of Canada should change the provisions concerning judges without making another request to the imperial Parliament. We have reached maturity and it is time for us to act. That is a point of view. I am sure that in due course it should bear fruit. But let us not forget that the British North America Act was passed in such a way that it shall not be amended except by the imperial Parliament. This is why on many occasions Governments of every political leaning have gone to London to have the Constitution amended. Honourable colleagues, I remember the reason why the Liberal party fought the social legislation that Mr. Bennett brought in in the last year of his Government. It was precisely because it was not constitutional, that the British North America Act had not been amended to provide for unemployment insurance, et cetera, et cetera. We used that argument during the campaign, and with some success, naturally. This is why one of the first moves of the Liberal Government was to go to London to ask for a change in the Constitution, after the Bennett legislation was declared *ultra vires* by the Privy Council.

But the earth turns and we are making progress. I hope that sooner or later the problems concerning amending of the Constitution will be ironed out and solved. Then everything will be for the better in Canada, and as everyone wishes it to be.

But speaking of the judges, I have great respect for them, for most of them. You may agree, honourable colleagues, that it is not a question of age, that age is a relative thing. Seventy-five years may be heavy on the shoulders of some, but not so heavy on others. We have here in the Senate some very good examples of men who have attained four score years and who are still young hearted, able bodied, able mentally, and just as good as young men. On the other hand, there are some judges who should be retired at the age of 67—I can name one —and there are a few others who should never have been appointed. But, unfortunately, they are there and they are to be suffered.

Mind you, honourable colleagues, this is the exception. One may challenge the Minister of Justice not only to sponsor an order in council to retire judges, but to complain of a judge who is not mentally fit to sit on the bench. There would be general protest. People would call him a dictator. It would be impossible for him to take action. Do you agree with me, honourable colleagues? Do you see the Minister of Justice taking action to superannuate a judge, regardless of his age, who is not physically able to sit on the bench? Therefore this is the reason why the Attorneys General and the Canadian Bar Association have come to the conclusion that an average age of retirement must be established, and they have decided on 75 years. It is ten years more generous than what is provided for civil servants. Mark you, honourable senators, civil servants have to be retired at 65. When a civil servant is given an extension of one year or two years it is a special favour because the individual concerned has done particularly good work and cannot easily be replaced. Therefore, by being superannuated at 75, judges are better treated than civil servants. But it seems that once the judges will be informed of what is being done for them now, they will all be satisfied.

There is another question that I wish to bring up. It is a delicate matter and may cause some honourable colleagues to blush, although it is nothing that could be offensive to any one of you. It is that in all that was said on

behalf of judges, former Prime Ministers and members of the House of Commons, one class of legislators was forgotten by the honourable gentlemen who spoke before me. Did you realize when listening to their able speeches that 50 gentlemen and two ladies who sit here now have been forgotten? The honourable senators don't count. Let's give a better pension to this one or that one. I have no objection to that, provided we have our share. Charity begins at home, and I cannot understand how you, my honourable colleagues, are so much subdued that you are shy to speak about it.

I remember that during a discussion in the House of Commons I said that the member to my right was not a man of big means. I said to those in front of me and to my deskmate that we were alike, and my deskmate said: "It is true but don't say it. It might embarrass me."

Some of our honourable colleagues have been well endowed, thanks to their industry, with this earth's goods. I do not envy them, but how is it that when mention is made of a pension it is always for others and never for us? Take, for instance, the income tax on our travelling expenses. I remember the time when I was a member of the House of Commons. I had been there 31 years—for 20 years at $4,000 a year, and when Mr. Bennett was in power it was less 25 per cent for tax deduction, so it was reduced to $3,000. Afterwards it was increased to $6,000 and then to $10,000. How is it that the members of the Senate cannot have a status of equality with the members of the House of Commons? We are in full sympathy with them. The honourable senator from Gulf (Hon. Mr. Power), who was there for 37 years, also knows the hardships of the members of the House of Commons.

It was very generous and kind of the honourable senator from Toronto-Rosedale (Hon. Mr. Leonard) to raise the question, but if legislation is to be brought in for the purpose of increasing the pension for members of Parliament and providing pensions for their widows, let us hope at least that we will not be forgotten. We deserve as much recognition as anyone else in the legislative body. The judges are well looked after. So much the better. If the former Prime Minister will be well looked after, so much the better. The members of the House of Commons well deserve to be looked after, because their's is a dog's life. They cannot practise their professions, they cannot look after their business or their trade, for they are tied here. They do not like to feel that summer is going rapidly while they are still here discussing some matters which could be called futilities. I never meet anyone who does not regret that the Parliament of Canada is still sitting in the month of August—on the second day of August—and who does not sympathize with all parliamentarians.

Now I come to my conclusion. It will be simple. My conclusion, honourable senators, is that whenever any new piece of legislation is brought in by the Government for the benefit of former or actual members of Parliament, it should be for all members of Parliament, the members of the Senate as well as those of the House of Commons.

Hon. A. K. Hugessen: Honourable senators, this has been a most interesting discussion on the bill to amend the Judges Act, a discussion which, perhaps to some extent, has gone beyond the bounds of the bill itself, but has been nonetheless interesting for that.

My only reason for rising—and I am rising to discuss only certain particular sections of this bill itself—is that the bill purports to deal with the Superior Court of the Province of Quebec, and I think that some voice should be heard from the province of Quebec on that part of the bill before it receives second reading. As will be seen, section 1 of the bill provides for an increase in the number of puisne judges of the Superior Court of my province from 51 to 55. We are told that of those four additional judges, if appointed,—and the authority for that is a statement by the Minister of Justice—three are to be for the district of Montreal and one for the district of Three Rivers. I can only say, so far as the judicial district of Montreal is concerned, that the appointment of certainly not less than three additional judges is amply justified by the increasing amount of work that comes to our Superior Court in Montreal, and by the fact that the existing judges, hard though they try, are finding it impossible to keep up with the cases that come before them and are falling into arrears year by year. I am quite sure that my honourable friend the senator from Mille Isles (Hon. Mr. Monette) will agree with me on that. So as far as that section of the legislation is concerned, relating to the three additional judges for Montreal, I can heartily commend it to the favourable attention of the Senate.

There is just one further section which I think deserves some attention, and that is section 2, amending section 21 of the act, in relation to the expenses of superior court judges while they are away from home on their judicial duties. That affects us in the province of Quebec, particularly in connection with the Court of Appeal, which sits alternately in the cities of Montreal and of Quebec and whose sittings require judges from each of those cities to travel quite often to the other city and to spend several days in

that other city at a hotel. Under the legislation as it now stands, which dates back for many years, a judge who has to travel and spend time away from his home entirely in that respect can claim his moving or transportation expenses, and in addition, for every day that he is away, if in a city he can claim $12, or $15 in special circumstances prescribed by the treasury board. Well, under modern conditions, honourable senators, you can imagine what happens to a judge from Montreal who has to go to the city of Quebec for four or five days and put up at the Chateau Frontenac there, and finds that all he can charge for a room and three meals is $15 a day. That of course shows how very ancient this legislation is, and that it was designed for times which no longer exist. The amendment proposed under the new section 21 is that such a judge shall be allowed his reasonable travelling and other expenses—which of course he has to justify, and which in the case I have mentioned he will be able to justify—while living away from home at a hotel in a manner consistent with his dignity as a judge. I think my honourable friend from Mille Isles would agree with me on that.

In those two respects, honourable senators, I must say that I heartily commend this legislation.

Hon. Gustave Monette: Honourable senators, as a member from Quebec, I think I should say a few words, even if I do not bring any new aspect to the attention of honourable senators. My bâtonnier (Hon. Mr. Hugessen) has just spoken on some particular features of this bill with regard to Quebec. The first one is the fact that three additional judges are provided for the district of Montreal and one for the district of Three Rivers. I fully agree that we need more judges, for not only are our judges in arrears with their work, but it is always on their mind that those arrears are accumulating. I am sure honourable senators will appreciate that it is burdensome and embarrassing to our judges to be unable to accomplish all the work that is assigned to them. Sometimes we may feel that a judge is inclined to expedite the hearing of a trial and not listen too attentively or long enough to arguments of counsel, because he is always obsessed with the idea of the continuation of a system that does not work efficiently toward the administration of justice.

Honourable senators, I am fully in accord with our bâtonnier. As usual, I wished to listen to his wisdom before I dared to express my views. He referred to the reimbursement of judges for travelling and other expenses incurred in attending court away from the place where the law obliges them to reside. Heretofore travelling and other expenses were based on a fixed rate per day, and this new amendment will change that so as to reimburse judges for reasonable travelling and other expenses. I think that is a good amendment. To my mind it is proper that judges should be reimbursed for their real expenses, provided of course we pay attention to the word "reasonable". This term "reasonable" is inserted to allow those who approve the payment of these expenses to use their own judgment to a certain extent. After all, a judge is not a labourer.

Hon. Mr. Aseltine: The bill says "actual".

Hon. Mr. Monette: A judge is expected to stay at a hotel that is in keeping with his dignity. Any expenses that he would pay for such accommodation would be his actual expenses. The question of whether or not he could have stayed at a smaller and cheaper hotel is eliminated, because the treasury official who has to pass on the bill is given the right to approve the payment of reasonable expenses. I would say that this is a lot fairer not only to the judge himself but also to the public, as in many cases the public may be inclined to feel that where there is a fixed allowance per day that will be paid whether it is really spent or not.

I have a few remarks now to make about the pension itself. The main question here is not whether judges should be retired at the age of 75. Everybody in a position to judge agrees on that. All the Attorneys General of the provinces agree on that. The Canadian Bar Association, which is composed of barristers who plead before the courts, is in general agreement on that. With so many in agreement on the retirement age I will not try to elaborate on that point. However, there is a more delicate question, and that is the question of the pension. If the bill passes as it is now, any judge who will be retired by the effect of the law will be entitled to a pension, the amount of which is claimed by some to be fair enough. The honourable Leader of the Opposition (Hon. Mr. Macdonald) mentioned for the second time what he claims is a great unfairness in this matter. He said that these judges were appointed for life, that is, during good behaviour, and now they are being compulsorily retired, as he put it.

Well, I am not in agreement on that, and without offence I would state that the word "compulsorily" is perhaps a stronger word than facts justify. It is my opinion that every judge appointed to the bench was aware at the time of his appointment that conditions under which he would be called upon to serve might change from time to time, and that, though the appointment is made by order

in council, these conditions are determined by Parliament. I would draw attention to the fact that there was no complaint by judges when their salaries were increased. Should I say that it was compulsory for the judges to take the increased salaries?

I have held conversations with some judges in the city of Montreal whom I know very well and they have suggested that maybe there is an element of unfairness in the provision for compulsory retirement at 75, but nobody has spoken about it in a way to make me feel that it is shocking to them.

Perhaps they thought, and this is the way I understood them, that it would be fair if those already on the bench, who will be retired through the effects of the general law, which everybody agrees to be fair, continued to receive their full salaries for the rest of their lifetime. What could we say to that? I honestly feel that at the time of their appointment judges know that they are appointed under conditions as to remuneration and work that will come under review from time to time by Parliament itself.

There are other considerations which were not mentioned. For instance, some judges may feel that at the age of 75 they are still capable of doing their judicial work with full efficiency. That is a very relevant question. The honourable senator from De la Durantaye (Hon. Mr. Pouliot) told us that there are some judges whose fitness to be a judge would, if it had not already disappeared totally, be impaired gradually before they reached the age of 75. On the other hand, there are in all provinces judges whose mind has remained keen beyond the age of 75, and in many cases beyond the age of 80. There is nothing we can do about these variations and that is why we have to strike an average of 75. Otherwise, what could be done to determine that some judges should be retired at 75 even though they felt well able to continue to perform their work, but that others should be retained in service as long as they wished to work beyond the age? I contend that nobody could decide this question satisfactorily to all concerned. Therefore, with great respect to the honourable Leader of the Opposition (Hon. Mr. Macdonald), whose speeches are always inspiring, I feel that if it is the consensus of both houses of Parliament that judges should be retired at the age of 75 they cannot take it as an affront to them.

I do not think we break faith in making them subject to this new legislation, as they have been subject to the benefits of previous legislation. I am quite sure that the great majority of the judges in my province, if not all of them, will understand that this is a relative situation, in which no real decision or remedy could be taken that would prevent some of them from perhaps feeling they were unjustly treated. I think they will all approve of it. In this day when there is an increased volume of work placed before the courts, some judges may tire before reaching the normal retirement age of former years when the office was not so demanding. Therefore, I feel no judge will complain of the provisions of this legislation as applied to him. The measure has been discussed in both houses and the subject thoroughly debated on the resolution which was considered earlier. Therefore, I feel I should approve this bill as it comes before us.

Hon. Vincent Dupuis: Honourable senators, I would like to add a few words to the debate on this bill, especially as to one very important and material point which would affect certain judges who have held their positions for a number of years and who, it has been said, were appointed to serve during good behaviour. I just want to record my opinion on this point. Personally, I think it is very important for members of Parliament to support the principle that the words and conditions of a contract are sacred, especially when one of the parties to the contract is the Parliament of Canada. I feel very strongly on that point, and I see no justification for Parliament's failing to keep sacred the words of one of its contracts.

When Parliament appoints an individual to a charge, especially to a judgeship, and guarantees him that if he fulfils his duty he will receive his emolument during good behaviour, that means for life unless he is incapacitated or does not do honour to his office. Today the same Parliament which made the provisions under which judges of the Superior Court were appointed is saying to those judges: We ask you to allow us to withdraw our promises made to you.

Honourable senators, this reminds me of a very serious question that arose during World War II. Prior to 1939 there was in this country the general opinion that the chief of the Liberal party, the very distinguished, respected and unique figure, the late William Lyon Mackenzie King, and his cabinet had promised during the previous election that there would be no conscription of manpower for military service. Whether he was right or wrong, it is not my purpose to discuss the merits of the question today. But the promise was made, in Parliament and out of Parliament. Then after war was declared and the situation became serious, according to the reports received from overseas, it was felt, because of strong pressures or as a matter of conscience, that the promise given should be withdrawn. What did Mr. King and his cabinet do? They had passed in Parliament

a bill requesting the people of this country to allow them to be relieved of their promise. We had a plebiscite and the matter was dealt with in that way.

Honourable senators, in my humble comprehension of public life, that was the proper way to settle such a question. Only those who were affected by the promise made were able to free Mr. King and his cabinet from the promise.

Hon. Mr. Choquette: Was that when he forced people to enlist voluntarily?

Hon. Mr. Dupuis: My friend is joking, and of course I don't mind a little joke.

The Hon. the Speaker: Honourable senators, I think you are straying far from the purview of the bill before us. I do not think it is a proper time, in the last stretch of the session, to revive the conscription issue. I would ask honourable senators to restrict their remarks to the terms of the bill before us.

Hon. Mr. Dupuis: I respect Your Honour's decision. Nevertheless, if there is an example to be given of a circumstance in which the sacred word of Parliament should be fulfilled, or a release obtained from the interested parties, I think this is the best example. However, let us return to the main issue. I agree that the example I have given may not be a proper subject for discussion. My point is that Parliament having promised, indeed having guaranteed, to those persons who accepted a judgeship that they were appointed for life, it is only those judges thus affected who should be consulted in the matter.

Hon. Mr. Monette: Honourable senators, I of course bow to the decision of His Honour, and do not rise in respect to that matter. May I ask my honourable friend when was a promise made to the judges, and in what terms were they guaranteed that their salaries would not be changed from time to time in accordance with the mood and the wisdom of Parliament?

Hon. Mr. Dupuis: That guarantee was given by the terms of the letters patent of their appointment. I am not talking about increases in salaries or indemnities, but as to whether or not the judges were appointed for life.

Hon. Mr. Monette: Pardon me. My question is: In what terms and where was the promise made to new judges who were appointed that there would never be a change in their remuneration?

Hon. Mr. Dupuis: I think it is very clear in the terms of the British North America Act. The judges were appointed during good behaviour. To our knowledge that means for life except in case of sickness or misconduct. Consequently, these judges were appointed for life, and now the Parliament of Canada is ready to change all this and say to them, "You were appointed for life, but even if you are in good health—"

Hon. Mr. Monette: Is the honourable senator opposed to this bill as far as the question of retirement at the age of 75 years of age is concerned?

Hon. Mr. Dupuis: After listening to my honourable friend from Mille Isles (Hon. Mr. Monette) I begin to suspect that the sympathy he referred to in his speech is not so profound with respect to judges who are already appointed. But I would ask him to be good enough to let me proceed. He has said that he is reluctant about the bill because it alters the length of time during which judges can sit if they remain in good health and are able to carry out their duties properly. I thought when listening to the very distinguished bâtonnier of the Montreal bar, the honourable senator from Inkerman (Hon. Mr. Hugessen), and my equally distinguished colleague and compatriot of Laprairie (Hon. Mr. Monette), that they were sympathetic to those who are actually affected by this law; but I am the more so because I believe in the sanctity of a contract. When a contract is entered into by two parties there is only one thing that may change it without an amendment. According to British parliamentary practice, after which we pattern our own system, only the custom may change it. My good friend from Mille Isles (Hon. Mr. Monette) will recall that before the *Code Napoléon* came into existence the laws of France were based on custom: *Coutumes de Paris, Coutumes d'Orléans,* and so forth. In Great Britain the system of law has been based on custom also. In the case of county court judges and district court judges the custom established in Canada some 78 years ago was that the Canadian Parliament had the right to force them to retire at 75 years of age; but no custom has been established in the case of superior court judges and appeal court judges. Consequently, I think that, in all fairness to these judges, we should adopt and follow the precedent established by the Right Honourable Ernest Lapointe and as suggested by the Right Honourable Mr. Bennett. In 1927 Mr. Lapointe brought in legislation that limited the ages of supreme court judges already appointed to the age of 75. They were to draw two-thirds of their indemnity upon retirement. Later Mr. Bennett described on the floor of the House of Commons what a great injustice Mr. Lapointe had done to the judges of the supreme court, and Mr. Lapointe, realizing this fact, acceded

to Mr. Bennett's point of view and the law was amended so that the judges would remain retired but would be paid a full indemnity.

Hon. Mr. Croll. That was three years later.

Hon. Mr. Dupuis: Yes.

Hon. Mr. Croll: What makes you think this present legislation will not be corrected three years later?

Hon. Mr. Macdonald: Or three weeks later.

Hon. Mr. Dupuis: I would like it to be done now.

It has been pointed out by my good friend from Toronto-Spadina (Hon. Mr. Croll) and others that Mr. Lapointe yielded to the opinion of Mr. Bennett in granting a full indemnity to those judges who had already been retired. We should do likewise with the judges of the superior and appeal courts. Consequently I want to register my protest against the bill as it stands today. I do not want to see on our statute books any law whereby Parliament breaks a contract, for in the future members of both houses of Parliament might use is as a precedent.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Macdonald (Cape Breton), bill referred to Standing Committee on Banking and Commerce.

THE CONGO

APPROVAL OF PARTICIPATION OF CANADIAN FORCES IN UNITED NATIONS OPERATIONS

The Senate proceeded to consideration of the following message from the House of Commons:

Resolved,—That it be resolved by the ... House of Commons:

That it is expedient that the Houses of Parliament do approve the participation of Canadian Forces in the United Nations operations in the Congo, and that this house do approve the same.

Ordered,—That a message be sent to the Senate informing their Honours that this house has adopted a resolution approving of the participation of Canadian Forces in the United Nations operations in the Congo, and requesting their Honours to unite with this house in the approval of the same by filling up the blanks in the resolution with the words: "Senate and".

Hon. W. M. Aseltine: Honourable senators, I move that the Senate do unite with the House of Commons in the said resolution by filling up the blank spaces left therein with the words "Senate and".

Hon. Mr. Macdonald: Honourable senators, I was under the impression that the Senate would approve a resolution that it is expedient that the Houses of Parliament do approve the participation of Canadian forces in the United Nations operations in the Congo. Now we are merely asked to approve a motion to insert the words "Senate and".

Hon. Mr. Croll: No, to "approve the participation of Canadian forces . . . . "

Hon. Mr. Aseltine: This was the procedure adopted when we sent an address to Her Majesty offering congratulations on the birth of a prince.

Hon. Mr. Macdonald: At that time we joined in the congratulations to her Majesty.

Hon. Mr. Aseltine: It was exactly in this form.

Honourable senators, I shall be as brief as possible, as time is passing quickly. I think I learned in my college days that the Latin expression is *tempus fugit.*

Hon. Mr. Roebuck: Give us the facts.

Hon. Mr. Aseltine: Honourable senators are aware of the serious situation which developed in the Republic of the Congo early in July, shortly after it had gained its independence. It will be remembered also that the republic gained its independence on June 30, 1960 after some 80 years, during which it was a colony of Belgium. A mutiny among the Congolese soldiers of the *Force Publique* rapidly spread through the Congo, and violence and disorder became so general as to threaten the existence of the state. This happened within a very short time after the Congolese gained their independence. Belgium, which had granted independence to the Congo on June 30, was obliged to use its military forces to try to restore order and, in any event, to protect the lives and property of Europeans residing in the country. Most of this violence was directed against Belgian nationals. Accordingly, there was a large-scale exodus of Europeans, which added to the difficulties facing the Congolese Government, which had been much dependent on European administrators and technicians for continuing the essential services of government.

The Congolese cabinet, on July 10, appealed to Dr. Ralph Bunche, representative of the Secretary General in the Congo, to arrange for United Nations technical and administrative assistance to the Congo for the purpose of reorganizing its administration services. In view of the seriousness of the situation, the United Nations Secretary General returned from Geneva to New York on July 11 and began consultations with representatives of various Governments, including those of the independent African states.

On July 12 and 13 the United Nations received an urgent appeal from the Congolese Government to send United Nations

military forces to the Congo, where there had been fighting between the *Force Publique* and Belgian troops. Because of a breakdown in distribution services, there was danger of an acute food shortage in some of the larger centres, including Leopoldville, which has a population of about 400,000, of whom between 23,000 and 25,000 are whites. On July 13 the Secretary General informally drew the whole situation to the attention of members of the Security Council, and that same evening the council met in formal session to consider the Congo situation. This was done at the request of the Secretary General. In opening the meeting of the council the Secretary General explained his three-point program, which called for a relatively long-term program of technical assistance, which in the early stages would involve administrative assistance to the Congolese authorities in reorganizing their internal security forces which had been very much disrupted by the mutiny and the removal of the Belgian officers. In addition, there was need for a short-term stopgap arrangement for meeting the emergency situation in the Congo through the establishment of a United Nations military force, composed mainly of contingents from French-speaking African states. This force would be used to restore order and protect property and the lives of the people. Finally, there was to be an emergency program for the supplying of food to take care of the food shortage. The Secretary General asked the Security Council to support this program of assistance to the Congo.

On July 14 the Security Council adopted a draft resolution, proposed by Tunisia, which authorized the Secretary General to take the necessary steps. I have here a copy of that resolution, but I think it will be sufficient if I explain briefly what it is all about. It also called upon Belgium to withdraw its troops. The vote was 8 in favour, none against, with 3 abstentions, namely, the United Kingdom, France and China, which had some doubt about the clause calling for the withdrawing of Belgian troops.

A second session of the Security Council took place on July 20 and 21 in response to pressure to have Belgian troops withdraw quickly and in order to hear a progress report of the Secretary General on the development of the United Nations operations in the Congo. On the afternoon of July 21 the Security Council adopted another resolution, this time submitted by Ceylon and Tunisia, which called upon Belgium to implement speedily the earlier call for the withdrawal of Belgian military forces and commended the Secretary General for the prompt action taken to carry out the constructive elements of the earlier resolution. The Secretary General, honourable senators, had acted with dispatch and efficiency, and to meet the need for technical assistance he had arranged for the loan of military officers serving in Palestine within the United Nations Truce Supervision Organization, known as UNTSO. Five Canadian officers were among the group selected. They had volunteered for service in the Congo, and from the early days of the United Nations operations there they have been serving with great distinction. The Secretary General also made rapid arrangements for moving contingents into the Congo to form the United Nations force under the command of General Von Horn, of Sweden, who was formerly the Chief of Staff of UNTSO in Palestine.

Honourable senators will be interested to know that according to latest reports the United Nations now has more than 11,000 men in the Congo. There are infantry units from Morocco, 2,465; Ghana, 2,412; Tunisia, 2,151; Ethiopia, 1,860; Guinea, 741; Liberia, 225.

In addition to these, two white battalions went to the Congo, one from Ireland, composed of 678 men and one from Sweden composed of 620 men. An African unit from Mali will arrive shortly with a total of 568 men.

For the most part, therefore, honourable senators, it is these African battalions that are being used to maintain order among the Congolese people. The administrative and support troops are being drawn from non-African countries like Brazil, Canada, India, Norway and Yugoslavia, and an air component of the forces has been established in which a number of officers of the Royal Canadian Air Force will play an important part.

To assist General Von Horn in establishing his headquarters staff, contingents serving with the United Nations Emergency Force in the Middle East have been loaned to the general. Five Canadian specialists who are also volunteers were among the UNEF officers selected. As in the case of the UNTSO officers, this lending was made with the approval of the Canadian Government.

Honourable senators will also remember that to meet the food shortage the Secretary General appealed to various countries for gifts of foodstuffs which could be easily transportable. Canada rose to the occasion and offered to airlift 20,000 pounds of canned pork and 20,000 tons of whole milk powder, and these commodities were airlifted to Leopoldville by four R.C.A.F. North Star aircraft. In response to a further request from the Secretary General the Government put these four R.C.A.F. aircraft at the disposal of the United Nations for a 30-day period to operate in the airlift from Pisa to Leopoldville.

On July 15 the Secretary General inquired whether the Canadian Government would be in a position to provide signal personnel and equipment. After Canadian army officers had had an opportunity to explore this inquiry in detail with the appropriate United Nations officials the Government decided, on July 28, to provide a Canadian contingent of men of the armed services which would include about 200 signal personnel and a small headquarters detachment for administering the needs of the Canadian contingent. Arrangements for selecting and concentrating and dispatching signal personnel and equipment are going forward and Parliament is now being asked to approve the action taken in this regard. As honourable senators know, a resolution was introduced in the other place on the first day of August to this effect. I have no doubt that this honourable body will wish to take corresponding action in order to ensure that the Government will be in a position to make this valuable contribution to the United Nations forces which I have been attempting to describe.

The significance of this whole matter is the role of the United Nations in the Congo, which cannot be fully measured at this time, but there is no doubt that it has far-reaching implications for the Congo and also for Africa and for the United Nations itself. Success in the Congo might lay the groundwork for many operations of the United Nations in Africa, especially as regard to the peaceful parts of the program. I would like to say further that success in the Congo and in Africa might establish the United Nations as a strong influence for peace in the world. On the other hand, failure in the Congo might have more serious consequences for the United Nations. It is therefore with these profound implications in mind that I commend to this honourable body the motion now before us.

Perhaps I should say a word about the constitutional aspect. Honourable senators will remember that during the Middle East crisis, in November 1956, the Government of the day, headed by the Right Honourable Louis St. Laurent, passed an order in council whereby the Government was authorized to send some 2,500 officers and men to take part in the United Nations Emergency Force. Parliament was not in session at the time, and I understand, and I hope I am correct in this, that a special session was called for the purpose of considering the matter covered by this order in council. Parliament which then assembled ratified the arrangements which had been made under an order in council by Canada with the United Nations. This time we are in session and it is not necessary to pass any order in council. We therefore have it in our power to deal with this matter in the usual legal manner.

I commend the resolution to this honourable house.

Hon. W. Ross Macdonald: Mr. Speaker, I am still somewhat concerned about the form of the motion, ". . . that the Senate do unite with the House of Commons". The motion reads: That the Senate do unite with the House of Commons in the said resolution by filling up the blank spaces left therein with the words "Senate and".

This motion does not refer to any resolution, and it does not say that we approve of any particular resolution. It may be in a form which was adopted previously, but in the records of this house no reference will be made to the particular resolution.

The Hon. the Speaker: Honourable senators, I agree to a certain extent with the remarks of the honourable Leader of the Opposition (Hon. Mr. Macdonald). This motion does, however, imply that we are uniting with the House of Commons in the said resolution; it also implies that a resolution was adopted by the House of Commons. But it does not make clear to honourable senators the substance of that resolution.

I would suggest to the honourable Leader of the Government (Hon. Mr. Aseltine) that he might agree to change his motion to read as follows:

> Moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Monette:
>
> Resolved, that it is expedient that the Houses of Parliament do approve the participation of Canadian Forces in the United Nations operations in the Congo;
>
> That this house do approve the same; and
>
> That a message be sent to the House of Commons to inform that house that the Senate have adopted the said resolution, and have filled up the blanks therein with the words: "Senate and".

I think, honourable senators, that would be more comprehensible. It certainly would cover the substance of the resolution passed by the House of Commons.

Hon. Mr. Macdonald: Is that agreeable to the honourable Leader of the Government?

Hon. Mr. Aseltine: That point had not occurred to me. I have in my hand the resolution which was passed in the other house, and it appears to be the same as the one now before us. However, I am agreeable to do anything that will bring the matter properly before this house.

Hon. Mr. Thorvaldson: Honourable senators, on the point of order now being discussed, I must say I find it difficult to agree with the honourable Leader of the Opposition (Hon. Mr. Macdonald) that there is anything wrong with what is being done

here. It seems to me very simple: the resolution refers in identical terms and conditions to what was done in the other place.

The Hon. the Speaker: But those terms are not in the motion. The motion reads as follows:

> ... that the Senate do unite with the House of Commons in the said resolution by filling up the blank spaces left therein with the words "Senate and".

There is nothing in the motion that sets out the substance of the resolution that was adopted by the House of Commons, and that is the basis of the objection by the honourable Leader of the Opposition. The substance of the resolution passed in the other house is not clearly stated. Therefore, the members of the Senate are justified in complaining that they are not enlightened by the motion that has been made by the honourable Leader of the Government.

Hon. Mr. Aseltine: Is the resolution not contained in the Orders of the Day of this house?

Hon. Mr. Hayden: We are dealing with your motion.

Hon. Mr. Aseltine: The order reads:

> That it be resolved by the ... House of Commons: That it is expedient that the Houses of Parliament do approve the participation of Canadian Forces in the United Nations operations in the Congo, and that this house do approve the same.

And we go on from there.

Hon. Mr. Macdonald: But we are dealing now with the motion.

The Hon. the Speaker: The debate is on the motion moved by the honourable Leader of the Government (Hon. Mr. Aseltine).

Hon. Mr. Hugessen: We are not discussing a motion in the House of Commons.

The Hon. the Speaker: We cannot debate a motion that is before the other house or that is merely on our Orders of the Day. We are debating this particular motion moved by the honourable Leader of the Government.

Hon. Mr. Aseltine: Honourable senators, I agree with the proposed amendment, in order that the matter may be put properly before the house.

Hon. Mr. McDonald: You agree with the motion as suggested by His Honour the Speaker?

Hon. Mr. Aseltine: Yes.

Hon. Mr. Macdonald: Honourable senators, I am sure we all agree that we have before the house today a very important resolution, and it is not likely that there will be much difference of opinion about it. I say that this resolution will probably be adopted here in the same form as approved by the House of Commons, without any change whatsoever.

The problems with which the new Republic of the Congo is faced, we all must admit, are very severe, and I fear if they are not resolved in the very near future they may have far-reaching effects.

Honourable senators will recall that when the Belgian administration and many businessmen withdrew from that country the Congo suddenly found itself propelled into a position of national responsibility without having its own trained and experienced personnel, and with a serious shortage of qualified native administrators.

The Congo, as the honourable Leader of the Government (Hon. Mr. Aseltine) has intimated, recognized its weaknesses and its needs and went to the United Nations for assistance. The United Nations, as has been said, promptly offered that assistance, and Canada, as a member of the United Nations, has now come forward and expressed its willingness to do its share. Our contribution at the present time, as I understand it from newspaper reports, is to consist of 500 signallers and supply personnel. These persons will serve in the United Nations Congo Force. The approval of Parliament to that proposal will be given when we join with the House of Commons in adopting the resolution.

Honourable senators, I said that the United Nations acted promptly, and in that respect I wish to commend the actions of Dag Hammarskjold, the Secretary General. Hardly had the Security Council risen after approving the sending of the emergency force, than the Secretary General was on his way to the Congo. There, by his skill, tact and wisdom, he assured the people of that country—which I might remind honourable senators is located right on the Equator—that the peoples of all parts of the world, in the north, south, east and west, have united to assist the Congo to become a prosperous and peace-loving nation. I cannot commend too highly the Secretary General for his outstanding work and dynamic action in this grave international emergency.

Honourable senators, I also wish to commend our own Government for the action which it has taken, and in which it had the wholehearted and enthusiastic approval of the Leader of the Opposition in the House of Commons, a man who, you will recall, introduced the motion to set up the emergency force, to which the honourable Leader of the Government (Hon. Mr. Aseltine) referred, during the Suez crisis. The Leader of the Opposition in the other house is highly regarded by all, irrespective of political persuasions, for his sympathetic understanding and his wide and highly respected experience in matters of this kind. I was particularly

pleased when I noted that he had given his wholehearted support to this motion. I was also pleased that the same wholehearted support was given the motion by the Leader of the C.C.F. party.

Honourable senators, I can only wish that the Government had acted more promptly in this matter. I am not criticizing the Government for what it has done, but let me say that when I read a week ago that little Ireland, a country which has never claimed to take a prominent part in the work of the United Nations—as many Canadians have claimed Canada has done—was going to send a force to Africa, I asked myself, what is Canada going to do? That was about a week ago. Then when I saw on television pictures of the troops from Ireland, numbering 650, actually boarding the plane to leave on the trip, I almost gave up hope that Canada was going to take any action.

Hon. Mr. Aseltine: We have had officers there for some time. They were drawn from the forces in the Middle East.

Hon. Mr. Macdonald: But up to now Canada has not taken any action to send troops. Little Ireland sent 650 troops to the Congo a week ago while Canada sat back contented to have a few officers go there to make some inquiries.

Hon. Mr. Thorvaldson: Was not the original idea to send only coloured troops into the Congo and then it was decided to send white troops as well?

Hon. Mr. Macdonald: My honourable friend may be right, but I don't know how the troops from Ireland would qualify under the category he has mentioned.

Hon. Mr. Horner: Some people might also doubt the wisdom of sending Irishmen to make peace.

Hon. Mr. Macdonald: Many members of this house might agree with the honourable senator from Blaine Lake (Hon. Mr. Horner). But I am happy that the Government has now made this move, belated as it is, and it will certainly receive my wholehearted support.

The house may be interested to know that on Saturday last it was my privilege to meet the Premier of the new Republic of the Congo, Mr. Patrice Lumumba, at a luncheon reception which His Honour the Speaker arranged. It was a fine display of the friendliness the people of Canada feel toward Mr. Lumumba, and he appreciated it deeply. I had a conversation with him, and while he spoke French and I did not follow everything he said I understood him sufficiently to know that he appreciated his reception in Canada. He is a man with a heavy burden on his shoulders. Only 32 years of age and with no experience in the affairs of government, he has suddenly taken over grave responsibilities. During the luncheon he delivered an address in which he made it understood that neither he nor the people of his country are communists and that they have no intention of becoming the vassals of any communist country or, in fact, of any other state. His address was most impressive and reassuring. I can only say in conclusion that I hope that these new-found friends who have spoken so highly of Canada will become a prosperous, happy people and a respected member of a great peace-loving family of all the nations of the world.

Hon. Arthur W. Roebuck: Honourable senators, as usual I suppose I shall stand quite alone in the remarks that I propose to make. But that is not very important. I am delighted, of course, to know that we are sending food and supplies to a people in distress. I am also delighted to know that we are playing a part in the efforts of the United Nations which, in its good judgment, is sending troops into the Congo. I am not prepared, however, to join in the round of enthusiasm and joy with which we are entering into this enterprise. I am inclined to be a little more thoughtful and wonder just where we are going. The honourable Leader of the Opposition (Hon. Mr. Macdonald) has said that our action has far-reaching significance, both for the Congo and for the United Nations. I cannot help but dampen my enthusiasm by wondering what that significance amounts to. The Congo has been ruled by a ruthless autocracy for many years, and I have no doubt that abuses of the worst character have been in evidence there over past decades. Finally there has been a release of tension by those who have been holding the populace down and the result has been a burst of lawlessness, and so on. I would like to know just what it is the natives of the Congo are rebelling against. I have not been told that. I cannot think they are just enjoying lawlessness, murder and rapine. There may be some of this but it should be short-lived and not difficult to suppress. But what is behind it? Are these people rebelling because over the years they have been dispossessed by their rulers of the natural resources of their country and left landless to struggle for their place in the sun? What is the reason? Men don't rebel easily. Usually circumstances could not be worse with them when they take up arms and rebel.

I am just wondering what we are doing. Are we sending troops to the Congo to hold down the people for years to come? How long are our troops to remain in the Congo? I have heard it suggested they will be there

for years. For what purpose? Are we introducing a precedent? Are we to send troops in the future to all places where governments are being overthrown by rebellion? I could name quite a number of situations of a somewhat similar character in South America where the only way to get rid of the ruling forces is to rebel. Sometimes that is the one weapon left in the hands of a suppressed people to rid themselves of their conquerors and oppressors. If there is another rebellion in South America, which has had a crop of rebellions right along, are we to join with others in sending troops to suppress the rebellion and support the Government of the day, be it good, bad or indifferent? Where are we drifting? We have had rebellions right in this country of ours, and not very long ago at that. I am just wondering, when the Papineau and Mackenzie rebellion took place against suppression and a corruption of government which we now all deplore, how much good it would have done to Canada had outside troops entered our country to suppress the revolution. Would any lasting good have been accomplished? Would we have come out of our difficulties more rapidly? If our Irish friends, for instance, who are going to the Congo and are being so highly commended for doing so, or people from any other country in the world, had crowded in here with arms and ammunition to suppress the revolution, just what would have been the lasting result of that action? I know it is not popular at all to be thoughtful in times of enthusiasm, and particularly in times of military enthusiasm, but I must say that while I am not ready to vote against the sending of our men into the Congo—because I feel that it is necessary to protect the women and children, and the men as well from the lawlessness that has been reported—it must, however, be in emergency and nothing more. I for one am not prepared to see our young men spend some years in the Congo holding down its people in the interests of any Government—I don't care what it may be. Our young men have their lives to live here in Canada, not on the Equator holding down a Negro population.

Honourable senators, I intend to vote for this resolution, but with this reservation, that I hope we shall know more about the situation in the future than we know now; that we shall know why this disruption is taking place and that we shall not take part in the operations for any great length of time, unless the circumstances thoroughly justify our participating as a police force from outside holding down a protesting population. Let us cool off our enthusiasm, and send these men perhaps for the moment as an emergency, but let us be very careful indeed that we are not taking part in the local struggles of a people who are making their way to freedom by the ending of suppression.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I have just a word to say. This whole business illustrates, to my mind, what I have been preaching all my life: co-operation. The strength of co-operation is now seen in the United Nations Organization.

When men of good will get together to protect the culture which they believe to be the best, it is readily seen what results can be obtained. When each member nation of the United Nations does its small part a power is created that is strong enough to save the world.

We were in Europe, my colleague the Honourable Senator Robertson and I, when this crisis broke out and the shock was terrific. The worst shock came when we heard that the communists wanted to seize the Congo to spread their doctrine all over Africa.

But the United Nations acted rapidly and the step we are taking today is meant to save humanity as a whole, with its principles, its doctrines and its way of life.

Those who imagine that the United Nations is nothing but a forum for discussion see today that it does more than talk. It has acted with wisdom and, as long as it can effectively implement this solidarity and spirit of co-operation between peoples, it can save the world.

That is why I wholeheartedly endorse the resolution.

(Text):

Hon. Jean-François Pouliot: Honourable senators, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) has given a warning for the future. I take it that it will be for the better. I will oppose this resolution for the same reason that I opposed the sending of troops to South Korea, when we were told that the war in Korea would be over soon, that it was just a skirmish that was going on in that area in Asia. However, the war lasted for two years. Many Canadians were killed and we got no benefit from it. I wonder what benefit we would get from sending troops to the Congo to act as policemen. This is why I oppose this resolution flatly.

The Hon. the Speaker: Will the honourable Leader of the Government (Hon. Mr. Aseltine) agree to change the motion?

Hon. Mr. Aseltine: Yes, I agree.

The Hon. the Speaker: Honourable senators, it is moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Monette:

Resolved, That it is expedient that the Houses of Parliament do approve the participation of Canadian forces in the United Nations operations in the Congo;

That this house do approve the same; and

That a message be sent to the House of Commons to inform that house that the Senate have adopted the said resolution and have filled up the blanks therein with the words: "Senate and".

Is it your pleasure to adopt the motion?

Some Hon. Senators: On division.

Motion agreed to, on division.

COMBINES INVESTIGATION BILL

SECOND READING

Hon. Lionel Choquette moved the second reading of Bill C-58, to amend the Combines Investigation Act and the Criminal Code.

Hon. Mr. Macdonald: Honourable senators, it is nearly 6 o'clock. Would it be in order for me to suggest that we rise now until 8 o'clock?

Hon. Mr. Aseltine: According to the rule, unless it is agreed otherwise, the house would reassemble at 7.30. Will that be too early to resume?

Hon. Mr. Croll: Oh, yes.

Hon. Mr. Macdonald: This is a special night for some of us.

With leave of the Senate the Honourable the Speaker called it 6 o'clock and left the Chair until 8 o'clock.

At 8 p.m., the sitting was resumed.

The Senate resumed the debate on the motion of Hon. Mr. Choquette for the second reading of Bill C-58, to amend the Combines Investigation Act and the Criminal Code.

Hon. Mr. Choquette: Honourable senators will recall that a similar bill, known as Bill C-70, was introduced in the other place during the final days of the 1959 session of Parliament. All the clauses in Bill C-70 were struck out in the other place save and except clause 4, which dealt with fishing agreements made in the province of British Columbia. Bill C-70, consisting of this one clause, was then passed by this honourable body on the last day of the sitting of Parliament last year. In clause 4, as passed last year, this particular section relating to fishing agreements in British Columbia was to remain in full force and effect until the 31st day of December this year.

Honourable senators will find the identical section set forth in clause 23 on page 12 of the present bill and they will note that there has been only one slight change made in this particular clause, namely, that it is now to remain in full force and effect until the 31st day of December 1961. I do not intend to make any further comment with respect to this particular section.

The present bill contains many changes from last year's bill. I do not propose to deal with the present bill section by section, but rather to make a few general observations with respect to the changes which are contemplated and which will be brought about by the passing of the present bill.

First of all, there are a number of substantive amendments, that is, amendments affecting the offences as they are spelled out in the law. In short, they deal with the amendments and provisions relating to conspiracy and several amendments with respect to the matter of unfair trade practices.

Secondly, there are a group of amendments which deal with procedural matters. These relate in particular to the new jurisdiction which it is proposed to confer on the Exchequer Court of Canada, an amendment permitting the issuing of a restraining order stantive amendments, that is, amendments without a conviction, and the further provision requiring that the commission must make certain additional specific findings where it appears that a combine has existed. I would refer honourable senators for an explanation of this to section 9 at page 3.

Thirdly, there are amendments consolidating related provisions of the Criminal Code and the Combines Investigation Act.

Fourthly, there is a group of amendments which might be called consequential amendments. These are represented in particular by new definitions resulting from a consolidation of the legislation and a certain number of amendments dealing with changes in the cross references.

Finally, among others there are amendments consolidating the related provisions of the Criminal Code and the Combines Investigation Act which ensure the uninterrupted continuation of the law as set out in section 411 of the Criminal Code.

First of all I would like to deal briefly with the procedural amendments. These are probably the most far-reaching. This bill provides that, with the consent of the accused, criminal proceedings under Part V of the act—I would refer honourable senators to page 6—criminal proceedings can by clause 19 be launched in the Exchequer Court. And further, clause 19 of the present bill grants to the Exchequer Court all the powers and jurisdiction of the superior court of criminal jurisdiction under the Criminal Code and

under this act. However, the important thing to bear in mind with respect to this particular amendment is that the accused must consent to the trial of the criminal offence in the Exchequer Court before this court can deal with it.

In passing it might be pointed out that clause 19 further provides that all such trials shall be without a jury, and any appeal from the Exchequer Court lies directly to the Supreme Court of Canada.

The bill further provides that the Government, without the consent of the accused, can proceed in the Exchequer Court if such proceedings are not of a criminal nature and are instituted for the sole purpose of obtaining restraining orders or orders for dissolution of the corporation which has been charged. This right is granted under the powers which are conferred upon the Attorney General of Canada by section 31, as found on page 5 of the bill, and by operation of clause 19 of the bill as set out on page 10. Briefly, section 31 gives to the Attorney General of Canada the right to proceed in a superior court of criminal jurisdiction for the purpose of obtaining orders of restraint and of dissolution.

Clause 19, on page 10 of the bill, confers on the Exchequer Court of Canada the entire jurisdiction of a superior court of criminal jurisdiction.

The next amendments which I propose to deal with will, if accepted, eliminate the definition of a combine in the present law. The definition is replaced with the wording of section 411 of the Criminal Code, which has been used for nearly all of the recent prosecutions. Section 411 of the Criminal Code is united with the proposed new section 32 and is deleted from the Criminal Code.

In the new section 32, on page 6 of the bill, an indictable offence is defined in paragraphs (a), (b), (c) and (d) of subclause (1). Those definitions are clear, and I do not think they require any elaboration by me.

For further clarity the proposed bill spells out seven forms of business co-operation which are allowed and which provide a defence to a charge of conspiracy. I would refer honourable senators to page 7 of the bill, subsection (2) of section 32, paragraphs (a), (b), (c), (d), (e), (f) and (g). However, it should be pointed out and emphasized that under subsection (3) of section 32, none of the definitions apply,

> ...if the conspiracy, combination, agreement or arrangement has lessened or is likely to lessen competition unduly in respect of one of the following:
>
> (a) prices,
> (b) quantity or quality of production,
> (c) markets or customers, or
> (d) channels or methods of distribution,
>
> or if the conspiracy, combination, agreement or arrangement has restricted or is likely to restrict any person from entering into or expanding a business in a trade or industry.

The matter of advertising is dealt with in this bill, and the clause about misleading advertising in last year's bill, which was not proceeded with, is now modified as follows.

Under section 33c, found on page 9 of the present bill, honourable senators will note these words:

> Every one who, for the purpose of promoting the sale or use of an article, makes any materially misleading representation to the public, by any means whatever, concerning the price at which such or like articles have been, are, or will be, ordinarily sold, is guilty of an offence punishable on summary conviction.

This, however, by clause 2 of section 33c does not apply to,

> ...a person who publishes an advertisement that he accepts in good faith for publication in the ordinary course of his business.

The next amendments I would like to deal with, and which are covered by this particular bill, are the retail price amendments, with respect to loss-leader, a term which is mentioned throughout the bill. I refer honourable senators to clause 14, on page 9 of the bill. The new amendment with respect to these two matters is substantially the same as the one which was proposed in the bill last year. This amendment also removes from the former draft the requirements that certain things were done persistently, and instead it substitutes this phrase, namely, "making a practice of" for the former expression "persistently" except in the subsection dealing with disparagement of worth as outlined in paragraph (b) of section 14.

The intention of this particular section is to prevent a producer from exerting pressure on a retailer to sell at a price stipulated by the producer. One particular field in which this section has worked harshly is where retailers use brand names of quality products as loss-leaders. For example, a product would be advertised and sold at a price substantially below its cost in order to attract customers into the retailer's shop. While the public gains in the short run from the cut in price, the producer and his other distributors suffer from this undercutting of their market, and in the long run the loss-leader seller might bludgeon out a monopolistic control of the trade.

The Restrictive Trade Practices Commission studied the problem of loss-leaders in 1959 but at that time did not consider it a serious threat. However, the Government now appears to have taken a different view. What the amendment does is to permit a producer, by refusing to sell to a retailer, to punish the

retailer who persistently sells this product as a loss-leader. This amendment also permits discipline where a retailer has indulged in the practice of disparaging the producer's product in his advertising or has rendered persistent bad service in connection with the product. In all probability the producer had this right before this amendment was proposed but now a specific statement assures the producer of this definite right.

Another matter dealt with is that of advertising allowances. The Restrictive Trade Practices Commission published a study in 1958 on discriminatory pricing practices in the grocery trade, indicating that by way of advertising allowances large-scale retailers were obtaining an advantage over their smaller competitors. This finding coupled with the report of the Royal Commission on Price Spreads of Food Products in 1959, that promotional costs were adding unduly to food prices, has resulted in this new section 33(b) relating to advertising allowances.

In exchange for carrying out a certain type of advertising campaign for a particular producer, the retailer would qualify for a discount or a rebate off the price of the product sold to him by the producer. Under section 33 (b), as found on page 8 of the bill, the large retailer is not to be allowed any greater proportion of discount than the ratio of the total value of sales bears to the total value sold to a smaller competitor.

The amendment restricts the first abuse, namely, discrimination between purchasers. However, it provides no assurance that the amount spent on advertising will fall off, except that the larger retailer will now have less of a spread to spend on advertising.

The last matter I would like to deal with is mergers and monopolies, and for a definition of these terms I would refer honourable senators to paragraph 2 of clause 1 of the bill.

The definition of both "merger" and "monopoly" in this paragraph is so plain that I do not think I have to elaborate in any way. Honourable senators will note that the words are separately defined and the respective definitions include these words: "is or is likely to be lessened to the detriment or against the interest of the public", and "are likely to operate it to the detriment or against the interest of the public".

It is felt that with the new definitions no court would be likely to make a conviction merely on the ground that competition was lessened, without taking into consideration whether the public interest is harmed. It is felt that the courts should now deal with mergers or monopolies by standards which are more like those to be applied to combines. This would mean that public detriment would have to be shown before a conviction could be made.

One other point about the new definition of a merger is that it applies to vertical as well as horizontal groupings. Acquisition of the source of supply or the sales outlets is involved just as much as the acquisition of a competitor.

This changed view with respect to mergers is the thing that gives special importance to the new proposed role for the Exchequer Court to which I referred earlier. Under the present bill the Attorney General will have the sole discretion to go to the Exchequer Court, if he merely wishes to ask for an order of restraint or an order of dissolution of a merger that has already been made, instead of prosecuting the parties. Under the present act the Government cannot do this; its sole remedy is that of prosecution. This bill now proposes that the Government will be able to ask for a breakup of mergers already made and entered into if the Government judges them to be against public interest but to have been made in good faith. The Government would be able to ask the Exchequer Court to rule whether any merger or monopoly, or perhaps even a combine, was to the public detriment or not, and the Exchequer Court could make a decision on straight economic grounds without the odium of a criminal prosecution.

Finally, if such cases occurred often enough it is believed that the Exchequer Court would soon build up a body of jurisprudence defining the public detriment, and business moves which must now be either ignored or prosecuted would be judged by experienced judges on straightforward economic grounds.

Honourable senators, I do not propose saying anything further with respect to the bill, except that when it receives second reading I shall propose that it be referred to the Banking and Commerce Committee. I understand that a number of associations, individuals and corporations desire to appear before our committee to make extensive and full representations with respect to various clauses of the bill. Further, there is no doubt in my mind that a number of amendments to the bill will be suggested by those people who make the representations. I know that I express the thoughts and wishes of every senator present today when I say that the Banking and Commerce Committee of the Senate will give the fullest consideration to all the representations which are made to it.

Hon. A. K. Hugessen: Honourable senators, I think we can thank the honourable senator from Ottawa East (Hon. Mr. Choquette) for his lucid explanation of the various parts of this rather complicated bill; but I do not think that from listening to him any honourable senator would have derived the idea that this measure has been one of the most controversial and most bitterly fought in the whole history of this session. My honourable friend was the acme of sweetness and light, and I am afraid that, though I am enlightened, I shall not be able to follow him entirely in that direction.

This bill contains no matters of general principle. It is like so many other amending measures that we have before us—the only general principle which it involves is the principle that we need some amendments to the Combines Investigation Act. So there is no use my attempting to deal with any matter of general principle. The only thing to do is to refer to the more important sections of the bill and to discuss them as indeed was done by my honourable friend from Ottawa East. This bill reminds me rather of the story about the curate's egg. A nervous young curate, who went to breakfast with his bishop, was given a bad egg, and the bishop said to him, "I am sorry, Mr. Jones, I see you have a bad egg before you." To which the curate replied, "Oh, no, my lord, it is good in parts." Well, this bill is good in parts, but I must add that in other parts I think it has a very malodorous smell indeed.

There are four principal changes, in my view, which this bill proposes to make in the present Combines Investigation Act. Of two of them I approve, of two of them I disapprove, and those are, to my mind, the bad parts of the egg.

The first important change that this bill proposes is one which was mentioned by my friend from Ottawa East. It is designed to bring into the Combines Investigation Act those provisions of the Criminal Code which have the same effect as certain sections of the Combines Investigation Act and that, to my mind, is all to the good. At the present time the law of this country against combinations in restraint of trade is found in two statutes: sections 32 and 34 of the Combines Investigation Act set out the crimes which the act is designed to cure, and similarly, sections 411 and 412 of the Criminal Code set out the same kind of crimes against the community that we generally understand as being part of the things which the Combines Investigation Act is supposed to cure. In the present Combines Investigation Act honourable senators will see large numbers of references to sections 411 and 412 of the Criminal Code. The bill before us eliminates those references but brings into the act and consolidates in the one act these two sets of provisions, and it provides for the continuity of proceedings between one act and the other act, I think, in a completely adequate way. Understandably a good many of the amendments to the present act which will be found in this bill result simply and solely from this process of consolidation. I think that is a wise and a useful step.

The second way in which this bill seeks to change the present act is in respect of section 32, which deals with offences in relation to trade. The basic part of the bill which defines these offences in relation to trade is subsection (1) of the proposed new section 32, and that subsection (1) is taken practically verbatim from section 411 of the Criminal Code: It says:

> 32. (1) Every one who conspires, combines, agrees or arranges with another person
>
> (a) to limit unduly the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article,
>
> (b) to prevent, limit or lessen, unduly, the manufacture or production of an article, or to enhance unreasonably the price thereof,
>
> (c) to prevent, or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of an article, or in the price of insurance upon persons or property, or
>
> (d) to restrain or injure trade or commerce in relation to any article,
>
> is guilty of an indictable offence and is liable to imprisonment for two years.

That section has been in the Criminal Code in the same wording for many years, and there have been a very large number of prosecutions under it and a great deal of jurisprudence has grown up on it.

Let us see what the Government proposes to do with respect to this section. It proposes to insert as subsection (2) of section 32 a statement of things which are not offences under subsection (1). Subsection (2) reads:

> (2) Subject to subsection (3), in a prosecution under subsection (1) the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to one or more of the following:
>
> (a) the exchange of statistics,
>
> (b) the defining of product standards,
>
> (c) the exchange of credit information,
>
> (d) definition of trade terms,
>
> (e) co-operation in research and development,
>
> (f) restriction of advertising, or
>
> (g) some other matter not enumerated in subsection (3).

I will come to subsection (3) in a moment.

Now, after having set out the crimes in subsection (1) and defined them very fully, what is the need for going on in subsection (2) and saying what is not a crime? It is an extremely strange way of drafting a statute. It is bad draftmanship. To my mind there are potential dangers about it to which I propose to refer in a moment.

No one has ever supposed under the old statute, section 411, that an exchange of statistics or of credit information, or of co-operation in research or of any of these other items, constituted a crime under section 32 (1), the former section 411 of the Criminal Code. No one has ever been prosecuted for doing any of these things which are set out in the new subsection (2).

Hon. Mr. Monette: Will the honourable senator allow a question? Subsection (2) says the court shall not convict if, in the words of paragraph (g), the alleged offence relates to "some other matter not enumerated in subsection (3)." Will the honourable senator let me have his views on that?

Hon. Mr. Hugessen: I am coming to that in a few minutes, if my honourable friend will bear with me.

As I say, no one has ever been prosecuted for doing any of the things that are mentioned in this new subsection (2). It is a most peculiar way of proceeding. It is as if someone sought to amend the definition of murder in the Criminal Code by saying: provided that no man shall be deemed to be guilty of murder if—(a) he speaks angrily to his wife or, (b) threatens to throw his mother-in-law out of the house or, (c) spanks his children—

Hon. Mr. Hayden: —or, (d) does not kill anybody.

Hon. Mr. Hugessen: —or, (d) does not kill anybody. I thank my honourable friend.

What is the reason for inserting this extraordinary provision of what is not a crime in the middle of a definition of what is a crime? Apparently it stems from a submission made by the Canadian Manufacturers' Association to the old MacQuarrie Commission in 1950. I quote from their submission:

> It is submitted that it should be possible to specify a number of things which are not to the detriment of the public and which businessmen may consequently do without being liable to prosecution under the act. To the extent that this could be done, it would reduce the area of uncertainty which at present covers practically the whole field, so far as joint action with competitors is concerned and would be a real forward step.

We are told by the Minister of Justice that it is desirable to insert this subsection (2), this definition of non-crimes because in some cases manufacturers fear they might be prosecuted if they did the things that the subsection authorizes them to do.

I take leave to express the strongest doubt about that statement. As I say, there has never been a prosecution for doing any of the things set out in subsection (2). The minister himself admits, at least by implication, that this subsection is unnecessary. He made a rather extraordinary statement to the Standing Committee on Banking and Commerce of the other place, which appears at page 687 of the proceedings. I quote from the report:

> Mr. Fulton: On subsection (2), I have explained in the house that it has been represented to us by responsible businessmen—in my view and in the view of those who advise me, with some justification—that the law, in its interpretation and application by the courts in the jurisprudence which has been built up, has raised, in their minds a concern that the combination part of the combines legislation is so far-reaching and throws the net so wide that they may not get together and have consultations, even for purposes which everyone here, I am satisfied, would recognize to be innocent and desirable purposes, for fear that by coincidence or otherwise they might later be charged with having effected a combination as a result of those meetings and consultations.
>
> We said to them,—

This is the minister talking.

> —"We think you are exaggerating. Your fears are not really well founded because if you did confine your activities, and could establish you were confining them to one of these desirable purposes, you would not be prosecuted." They said, "Well, you may say that, but we are not certain; and, furthermore," they said, "you may be a reasonable person now but your own views might change."

So the minister himself admits that this subsection is really unnecessary, and in fact all that one can really take from it is that the subsection has been inserted for the sole purpose of being a sedative for the shattered nerves of the Canadian Manufacturers' Association.

If that were all, honourable senators, perhaps one could afford to ignore it and forget about it, but I do not think that this subsection is really quite as harmless as that. I wonder if it is good public policy to spell out these innocent activities in the act. Some of these trade combinations against which this legislation is designed have been shown to be pretty ruthless in their methods, and I am rather inclined to think that if you give them an inch they will take an ell.

The kind of danger that is to be apprehended from this sort of insertion in the legislation is well set out, I think, in a quotation from an American authority, a book entitled *Monopoly and Free Enterprise* by Messrs. Stocking and Watkins, in which they describe exactly the danger of the proposed amendments. This is the quotation:

> Trade associations frequently engage in a variety of activities some of which are perhaps innocent or even wholesome when considered separately but which together tend to curb competition and restrain trade. Standardization of products and cost accounting methods, for example, may eliminate waste and lower costs, but it also helps insure uniform prices among trade rivals. Exchange of information on the credit of customers may help reduce bad debts, but it may also serve as a basis for boycotting "undesirable" customers. Statistical reporting on prices, output, sales, shipment, stocks and the like may aid producers in independently formulating sound price

and production policies, but it may also afford a basis for a tacit understanding to stabilize prices and curtail output.

I think it only fair to say that the Government has seen that danger and has attempted to deal with it by the subsection following subsection (2), about which my honourable friend from Mille Isles (Hon. Mr. Monette) asked me a question a minute or two ago. It has said in subsection (3) that subsection (2)—that is the non-crimes subsection—does not apply if the non-crimes have the effect of lessening competition unduly in respect of one of the following:

(a) prices,
(b) quantity or quality of production,
(c) markets or customers, or
(d) channels or methods of distribution,

or if the conspiracy, combination, agreement or arrangement has restricted or is likely to restrict any person from entering into or expanding a business in a trade or industry.

It seems to me that this subsection simply adds to the confusion. We have the crimes defined in subsection (1), the non-crimes defined in subsection (2), and the exceptions to the non-crimes defined in subsection (3).

As I have said, subsection (1) is taken from section 411 of the Criminal Code; it has been on our books and has been interpreted by the courts for years. I do not think the Government ought to attempt to confuse the issue by bringing in two subsections, both of which to my mind are completely superfluous and unnecessary, and simply making the act more difficult for the courts to interpret.

Now, the third matter in which this bill attempts to change the present act, is the matter of resale price maintenance, on which a great deal of controversy has been aroused in the other place and in the country. As honourable senators will remember, the prohibition of resale price maintenance was first introduced into this act after a bitter parliamentary fight which lasted over the Christmas season in the year 1951. It is section 34 of the present act. I say, I think without any question as to being right, that this section has resulted in many cases of lower prices to the general public.

Hon. Mr. McDonald: It is amended by section 14 of this bill.

Hon. Mr. Hugessen: Yes. I have not come to that yet. I am dealing with the section in the present act, which is section 34. This section starts out by defining a dealer as including any manufacturer or supplier of an article or commodity. Then it says that no dealer shall make a contract with any retailer under which the retailer has got to resell articles sold to him by the dealer at a price specified by the dealer, or at not less than a minimum price specified by the dealer, or at a markup or discount specified by the dealer, or at a markup not less than a minimum markup specified by the dealer, or at a discount not greater than a maximum discount specified by the dealer.

Then it goes on to say that no dealer shall refuse to sell or supply an article to any retailer because that retailer has refused to resell the goods to the public at a minimum discount or a minimum price or a minimum markup specified by the dealer, or has resold or offered to resell to the public any of these articles without conforming to the requirements of the dealer in that respect. It concludes by saying that every person—that is every dealer—who violates this provision is guilty of an indictable offence and is liable on conviction to a fine in the discretion of the court or to imprisonment for a term not exceeding two years or to both.

In other words, section 34 as it reads now leaves a retailer, once he has purchased goods from a manufacturer or wholesaler, absolutely free to resell those goods to the public at any price that he may choose or that he can get for them. The manufacturer or wholesaler has no control over the retail price.

Let us see the amendment to this section 34 that is proposed by the Government in this present bill. It is, as my honourable friend from Kings (Hon. Mr. McDonald) said, to be found in section 14 of the bill, on page 9. It adds a new subsection (5) to section 34 of the bill, providing:

Where, in a prosecution under this section, it is proved that the person charged...

That is the manufacturer or the wholesaler.

...refused or counselled the refusal to sell or supply an article to any other person, no inference unfavourable to the person charged shall be drawn from such evidence if he satisfies the court that he and any one upon whose report he depended had reasonable cause to believe and did believe

(a) that the other person...

That is the retailer.

...was making a practice of using articles supplied by the person charged as loss-leaders, that is to say, not for the purpose of making a profit thereon but for purposes of advertising;

(b) that the other person...

That is the retailer.

...was making a practice of using articles supplied by the person charged not for the purpose of selling such articles at a profit but for the purpose of attracting customers to his store in the hope of selling them other articles;

(c) that the other person was making a practice of engaging in misleading advertising...

And so on. And paragraph (d) talks about the other person making a practice of not providing the level of servicing that purchasers of such articles might reasonably expect.

In other words, this amendment reintroduces in some degree the control by the manufacturer or wholesaler of the price at which the retailer shall resell to the public the goods supplied to him, and it does it in a very effective way. If the retailer makes a practice of reselling these goods as loss-leaders or at a loss to himself for advertising purposes, his supply of these can be cut off by the manufacturer or by the wholesaler. That is a very powerful weapon in the hands of the manufacturer or the wholesaler, and all he has to do is to say that he believes, or that someone whom he believes has reported to him, that the retailer has been engaged in these practices of loss-leading or loss-selling.

Hon. Mr. Brunt: Does the subsection not provide that he must have reasonable cause to believe? A report would hardly be sufficient.

Hon. Mr. Hugessen: Yes, reasonable cause, but you can have a good deal of reasonable cause. Take the case of two retailers in a small town, one of whom engages from time to time in the practice of selling off goods at a loss. His opponent, who does not do that, reports to the manufacturer, and on the basis of that report, which the manufacturer believes, the manufacturer can cut off retailer No. 1 from the supply of these articles. The point about that is that it is in the hands of the manufacturer alone. It is private justice, if you like to call it justice. It is justice exercised by the manufacturer or wholesaler in his own interest against the unfortunate retailer.

What about the general public? They seem to have been forgotten in this mass of manufacturers, wholesalers, retailers and so on. Why should the general public be deprived of the advantage of buying goods more cheaply from one retailer than from another? For the reasons that I have tried to give, this section was bitterly and strongly opposed in the evidence given before the Standing Committee on Banking and Commerce of the other house. It was opposed by very important organizations, including the Canadian Federation of Agriculture, representing the farmers, and the Canadian Council of Consumers, representing many hundreds of thousands of housewives throughout the country; and by an organization representing many thousands of automobile-servicing and gas stations throughout the country who said that this section, if enacted, would put them even more under the thumb of the big oil companies and the big automobile parts companies than they are at the present time.

It was also opposed by a number of economists and professors from various universities, including Carleton, Queen's, Saskatchewan and McGill. I think a summary of the basis of the opposition from the economists is to be found in a few words from a statement made by the Professor of Economics at Queen's University, Dr. Skeoch. This is what he says about the amendments to section 34:

> The proposed amendments to section 34 are apparently based on three assumptions: (1) that the ban on resale price maintenance is fundamentally sound and desirable but (2) that certain practices have developed under section 34 which have been damaging to the small distributor and others, and (3) that the manufacturers should be given the power to restrain such practices by refusing supplies to dealers engaging in them.
>
> In fact, however, it can be demonstrated that the proposed amendments will effectively eliminate the ban on resale price maintenance, will provide no effective protection, either short run or long run for the small dealer, will open the door for discriminatory practices, will strengthen the position of the large distributor who controls private brands, will place in the hands of the manufacturer a degree of control over the final price of his products that is denied to other groups in the economy, and finally, is based on a profound misunderstanding of the way in which business is conducted.

Needless to remark, honourable senators, this Government has paid no attention to the complaints of the consumers or to the criticisms of the experts.

Let us see if we can find a practical example of how this famous amendment would be likely to work out in practice. Honourable senators will recall that it allows as a defence to the manufacturer or wholesaler the finding out that the retailer has been engaged in the practice of using articles supplied by the manufacturer or wholesaler as loss-leaders or of selling such articles not at a profit but to attract customers to his store in the hope of selling other articles. Well, let us think up some sort of an example. I suggest to my honourable friends that they might get into their automobile some day and take a drive through the city and look at the various gas stations that they pass on their way. At a few of those gas stations they will observe a large wire receptacle several feet high filled with a lot of rubber balls, of attractive colour and design, called beach balls. On this receptacle they will see a notice written, "One of these free with every $4 purchase." What you do, of course, is go into that service station, buy $4 worth of gasoline, get a beach ball free, and give it to your children to play with when they go to the beach or perhaps on the lawn at home. To simple-minded people like you and me, honourable senators, that would seem to be quite a harmless and innocent transaction. But not to this Government—oh, no! What is it that the owner of this service station is doing? Firstly, he is using those beach balls as

a loss-leader, not for the purpose of making a profit but for the purpose of advertising. Secondly, he is giving away those beach balls, not with the purpose of selling them at a profit—for he does not sell them to anyone, he gives them away—but for the purpose of attracting customers to his store in the hope of selling some other article. Of course, this Government feels the manufacturer of the beach balls must be protected against having his product thrown on the market in this way, and the owner of the rival service station across the way, who does not happen to have any beach balls to give away to his customers who buy gasoline, has to be protected against this unfair competition. So under the proposed amendment to section 34 the manufacturer of the beach balls will be entitled to go to service station operator No. 1, and say to him, "No more beach balls for you, my friend, unless and until you agree to sell them to the public for at least 10 cents each"—or whatever the price may be.

I ask myself, I ask the Government, what in the world does it think it is achieving by legislation which is going to have such fantastic results as these? Whom does it think it is protecting? Oh, we have had a good deal of sententious eloquence from the Minister of Justice about protecting the interests of the small merchant. I discount those statements very much indeed. I do not believe that the small merchant is going to be protected by this sort of thing at all. Whom will the Government protect in the example that I have given? I suppose you could say that to some extent it is protecting the rival service station operator across the street from having beach ball competition against him; but the real protection it is giving is to the manufacturer of the beach balls. Now, honourable senators, I am not concerned with protecting the manufacturer or protecting the rival retailer. The people this Government has forgotten to protect are Mr. John Q. Public and his wife and family—the ordinary consumers in this country.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Hugessen: It has forgotten to protect the great mass of Canadian consumers. My honourable friend from Ottawa East (Hon. Mr. Choquette) spoke about loss-leaders and he admitted quite frankly what is a fact, that in 1959, only a year ago, the committee which inquired into that matter decided that it was not of sufficient importance to require legislation. I say why should there not be loss-leaders? Why should there not be sales below costs? The general public are the people who are going to benefit from them. Our economy is an economy of free competition, and I say that the general consumer is entitled to every benefit that competition in trade, in commerce, in manufacturing and everything else can give him, including the benefit of loss-leaders and sales below cost, if and when they occur.

Honourable senators, the whole of this legislation, this Combines Investigation Act, has been built up on the supposition that the consumer has got to be protected in a competitive economy, and therefore that mergers and things of that kind are not allowed. I say that this amendment violates the whole principle of the act; it brushes aside the interests of the consumer, which is the interest which the Government really should be considering. The Government pretends to be acting in the interests of the small retailer, but I do not believe it is. In fact, if this section proves to be of any use and benefit at all it will be to the manufacturer and the wholesaler. No wonder that the section has been opposed so strenuously by such large bodies of consumers as appeared before the Banking and Commerce Committee of the House of Commons. Mark my words, honourable senators, if this section comes into effect, and if it has any force at all, it will hurt the general consumer of this country.

I said when I began, I think, that this bill reminds me rather of the curate's egg, and I must add to that that this proposed amendment is one of the most obnoxious and malodorous parts of the egg.

Hon. Mr. Higgins: May I ask the honourable senator one question? I want to come back to the example of the man who goes to the service station and is told that if he buys four gallons of gas he will get a baseball—

Hon. Mr. Brunt: Beach ball.

Hon. Mr. Higgins: I beg your pardon. We haven't many beaches in Newfoundland, so we haven't many beach balls. Why could that man not buy his four gallons of gas at a reasonable price instead of being forced to buy a beach ball also? He is forced to buy a beach ball, because if he purchased his four gallons of gas at the ordinary price he would not get a beach ball, would he?

Hon. Mr. Hugessen: There is no change in the price of the gasoline. He could buy gasoline for exactly the same price across the street, but in the one case he is given a beach ball and in the other case he is not.

Hon. Mr. Higgins: The man who gives the beach ball away for nothing must be selling below a reasonable price and will go bankrupt eventually.

Hon. Mr. Hayden: That is his right.

Hon. Mr. Hugessen: Yes, it is his right to go bankrupt if he wants to, but I think what will happen is that he will attract more purchasers for his gasoline.

Hon. Mr. Macdonald: That is what will happen.

Hon. Mr. Higgins: Then he is not selling at a reasonable price.

Hon. Mr. Hugessen: There is no price attached to the beach ball. The beach ball is given away free.

Hon. Mr. Higgins: But the man across the street, who is not giving a beach ball away, must be charging too much for his gasoline.

Hon. Mr. Hugessen: That might be the case in Newfoundland, but that I do not know.

Hon. Mr. Higgins: Oh, no, we are not as naïve as that in Newfoundland. The man who sells the four gallons of gasoline and gives away the beach ball must be making a small profit because he gives the beach ball for nothing while the other man must be making a bigger profit.

Hon. Mr. Macdonald: My friend can make a speech later on.

Hon. Mr. Higgins: I am sorry I cannot follow the argument. Pardon me.

Hon. Mr. Hugessen: Well, there is one section to this bill which relates to export trade, and that is section 32, on page 7. Honourable senators will remember that subsection (1) of section 32 defines the crime of combining in restraint of trade, and subsections (2) and (3) I have already discussed. Then there is a new subsection (4), which says:

> (4) Subject to subsection (5), in a prosecution under subsection (1) the court shall not convict the accused if the conspiracy, combination, agreement or arrangement relates only to the export of articles from Canada.

That, I think, is an extremely useful modification of the existing legislation. There are very sound reasons, to my mind, why the prohibition against combining to fix prices and markets and so on in domestic markets should not apply when Canadian producers and manufacturers get together to export to other countries. After all, this legislation is designed, as I have said, to protect the domestic consumer, and when you come to discuss export trade in these days you have got to realize that a very large proportion of the export trade of the world, particularly in communist countries, is carried on on a basis where the Government itself is the only trader. Well, you can imagine how difficult it would be for a whole series of individual manufacturers in Canada if faced with competition from an enormous Government unit like Russia which is able to make its own arrangements without combining, so I think it is a valuable thing that the Government has realized in this new amendment that these restraints or prohibitions against combining in the domestic trade should not apply to export trade. Indeed, there is a very good precedent for that in the United States. The United States has had for quite a number of years an act—I think it is called the Webb-Pomeroy Act—which specifically exempts sales outside of the United States by manufacturers in that country from the very stringent restrictions of the Sherman act and of other anti-trust legislation. So I think it is all to the good that this amendment should be inserted.

Of course it does entail certain dangers. If you allow people to combine for export trade they may in the very nature of things start talking about domestic trade as well, but the Government has recognized that possible danger and it has inserted a new subsection (5) immediately following subsection (4) which in effect says that the manufacturers will not get the benefit of subsection (4) if as a result something happens in the domestic market which injures domestic trade.

The only comment I have to make on this export trade amendment is that I do not very much admire the way the Government approached it. If it was proposing important amendments to this important act, the Combines Investigation Act—and it has been doing this for months and in fact for a year, because it introduced a preliminary bill last session—you would have thought that one of the first things it would consider would be the protection of the export trade of the country, putting our manufacturers in the same position in that respect as are the manufacturers in the United States, under the United States legislation to which I have referred. But when the bill came before us this session it contained no reference whatsoever to export trade. A large number of hearings were held by the Banking and Commerce Committee of the other place and it was during those hearings that a number of people made representations to the committee that export trade should be excluded from the act. Those were the fisheries association, the manufacturers of base metals and the lumber producers, all of whom are engaged very extensively in the export trade, and I do not need to underline to this house how extremely important our export trade is in the general scheme of our economy.

As a result of these representations an amendment was moved in the Banking and Commerce Committee of the other place by the members of the Opposition to exempt export trade from the provisions of the act. The Government, through the Minister of Justice, refused to accept the amendment, though the minister said he was keeping an open mind on the subject, and it was only a few days ago, after the Commons committee had concluded its laborious and lengthy investigation and the bill had gone back to the House of Commons, that the minister finally brought in this beneficial amendment with respect to export trade. Well there is joy in heaven over one sinner who repenteth, and I do not suppose it matters how soon or how late he repents. The minister has now repented and we have at last got into the bill this final amendment which I think will be of great benefit to our export trade.

Honourable senators, I am afraid I have spoken at unconscionable length. Those are the four sections of the bill which seem to be the most important. The first is the consolidation feature, with which I thoroughly agree. The second is the definition of non-crimes, which I think is perfectly stupid. The third is the attempt to bring back in by the back door resale price maintenance, which I have already described and to which I am opposed. The fourth is the loosening up of the bonds by which our export trade was formerly bound under this legislation.

If the bill goes to committee—and I understand the sponsor has said it will—I shall be very interested to hear the explanation by the Minister of Justice, if he appears before us, of the second and third points to which I have referred in my remarks this evening.

Hon. Salter A. Hayden: Honourable senators, first I want to commend the sponsor of the bill (Hon. Mr. Choquette) for his very calm and unimpassioned presentation of the effect of the amendments. Just how calm and unimpassioned it was one can judge after hearing the honourable senator from Inkerman (Hon. Mr. Hugessen) and his very brilliant analysis of the bill, and the few things that he found in it on which he could express his agreement, and those things in it which he says are malodorous and should be removed from the bill.

I am not going to be very far apart from the honourable senator from Inkerman in what I have to say tonight. Since some of what I have to say about the bill cannot be exactly classified as praise, probably something which I think is good in the bill should be mentioned first.

The bill does provide a procedure for enjoining parties by injunction from the continuance of trade practices that may be in violation of the act without taking a prosecution. In other words, we are paralleling more closely the procedure in the United States. Heretofore we have had in the statute only the provision that at the time a conviction is made in a proceeding for an illegal combination, an injunction might be obtained at that time from the judge who recorded the conviction; or, subsequently, an application might be made. By the bill we now have the additional provision under which this injunction process may be sought without any conviction having been obtained or without any proceeding, which would in the ordinary way lead to a conviction, having been taken. That honourable senators will find on page 5 of the bill, subsection (2) of section 31, about half way down the page. The bill also provides that this injunction may be sought either in the Exchequer Court or in the superior court of criminal jurisdiction in any of the provinces. I commend the Government for that procedure. But I am not sure that there are many more provisions in the bill about which I shall be able to express agreement.

Hon. Mr. Brunt: Don't be so generous.

Hon. Mr. Hayden: On the question of exports, to which my honourable friend from Inkerman has referred, I agree with him that specifically exempting exports from the scope or operation of the Combines Act is an advisable thing in the circumstances of trade as we find it in the world and, secondly, in the circumstances, that production for export is a field by itself. Therefore, the provisions for the elimination of combinations that might adversely affect the freer interchange of goods within the country are not called into play where one is manufacturing goods solely for export.

Having said that, and having recognized that as being a sound principle, I throw out this doubt: I wonder whether, in any event, export trade and combinations for production of goods for export would come within the scope of the Combines Act. I go further to say that even with the specific statement that export trade is exempt, even where the producers are in combination, the section as we have it in the bill does not go far enough. It gives and it takes away. May I point out what I mean. It gives in the sense that subsection (4) of section 32, on page 7 of the bill, says:

> Subject to subsection (5), in a prosecution under subsection (1) the court shall not convict the

accused if the conspiracy, combination, agreement or arrangement relates only to the export of articles from Canada.

That is a general statement and I agree with it. I think it would be advisable to have it included in the combines law, if it stopped there. But in subsection (5) we have the restrictions or conditions attached to what would otherwise be the full scope or operation of this section. Paragraph (a) of subsection (5) says subsection (4)—that is the exemption—does not apply if the conspiracy, combination, agreement or arrangement has resulted, or is likely to result in a reduction or limitation of the volume of exports of an article.

Now, to me there seems to be a contradiction there. A combination of producers settling on a method of production and marketing for export in the world today would face the problem of meeting price rather than fixing a higher price. How can you put a limitation of this kind on the purpose of a combination for the development of export trade, where if there is a reduction in the volume of the exports of the article you can be charged, if there is a combination under the provisions of the Combines Act?

Hon. Mr. Horner: May I ask a question as to the conditions under which exemption is allowed in respect of manufactured goods for export? If it were found that because of trade combinations the price of certain goods was set too high, that would justify the control, would it not?

Hon. Mr. Hayden: I appreciate what my honourable friend has said, but the only answer I can give is that I cannot conceive of manufacturers getting together in a combination, going through the motions of developing an export trade and setting a price which would result in selling less, rather than more, of the articles exported. It just does not make sense to me.

Hon. Mr. Horner: It has happened.

Hon. Mr. Hayden: If legislation were passed on the basis of everything that might happen, or if we legislated against all the foolishness that could take place we would have an even larger volume of law than we have now.

Paragraph (b) of subsection (5) of section 32 says that subsection 4 does not apply if the alleged conspiracy, etc.,

has restrained or injured or is likely to restrain or injure the export business of any domestic competitor who is not a party to the conspiracy, combination, agreement or arrangement.

This is the one that takes all the meaning, scope and effect out of the exemption that has been provided. The only kind of combination to deal with export trade that could escape the effect of that paragraph would be a combination that included every person who was manufacturing for export. If there was one less than the full number of manufacturers for export, and the combination had settled on a price which was lower in order to be able to sell their goods for export, and by reason of their combination they were able to sell at a lower price than the manufacturer who stayed out of the combination, that very fact would disqualify them from the exemption. I say, therefore, that the only kind of a situation that would qualify for this exemption on exports would be one where every person who was in the manufacture of the article for export subscribed to that plan.

Paragraph (c) says subsection (4) does not apply if the conspiracy, etc.

has restricted or is likely to restrict any person from entering into the business of exporting articles from Canada.

This, of course, is sheer speculation. First of all, you have the field of known manufacturers for export. If you have less than full membership in the plan you cannot qualify for the exemption. But (c) goes further and says that even though you have them all in the plan, if there is still another manufacturer in Canada who may be entering into the business of exporting, and he is likely to be restricted from entering the field of exporting because of this combination, then the combination is not entitled to the exemption.

Then paragraph (d) says subsection (4) does not apply if the conspiracy, etc.

has lessened or is likely to lessen competition unduly in relation to an article in the domestic market.

To me that last paragraph is completely unnecessary, because if there is any combination in relation to the manufacture or production of any article for the domestic market in Canada it comes under the general law of the Combines Act, and as such it is a violation.

Hon. Mr. Brunt: It is put in for greater clarity. You cannot criticize that.

Hon. Mr. Hayden: My honourable friend from Hanover (Hon. Mr. Brunt) suggests that this provision is put in for greater clarity. I suppose a statement of the obvious makes for greater clarity, but this is even more than a statement of the obvious. It has no relation to export trade at all, and if it touches on domestic trade it is already caught under the general provision of the law.

Hon. Mr. Burchill: May I interrupt to ask a question? Does my honourable friend recall any action or prosecution under the existing act of a combination for export?

Hon. Mr. Hayden: No. There may be some in the future.

Hon. Mr. Croll: It has always been legal to exploit the foreigners, hasn't it?

Hon. Mr. Brunt: No; just to compete with them.

Hon. Mr. Hayden: My honourable friend from Toronto-Spadina (Hon. Mr. Croll) made a very gratuitous remark. I suppose it depends on which shore of Canada you are looking from. I had thought that the principle was that Canada as a country has domestic trade and export trade and that since we must export to live it is good business for Canada to take whatever steps it can to export and live.

Hon. Mr. Horner: Sure.

Hon. Mr. Hayden: So far as the comment about exploiting the foreigner is concerned, there is nothing more dangerous than catchwords, and my honourable friend from Toronto-Spadina has just indulged in one, as he does sometimes when I am speaking. If I were as smart as he, perhaps I would use them when he is speaking. Nobody exploits the foreigner.

Hon. Mr. Brunt: Correct.

Hon. Mr. Hayden: Canada sells goods on the export market if those goods can meet competition from other countries on the basis of price and quality, and sometimes even then agreements among certain countries make it difficult for Canada to compete. So if the comment about exploiting the foreigner was only facetious, then I smile at my honourable friend and say that no harm has been done; but if it was intended to put a barb under the saddle I can tell him he was to some extent successful. But I have answered him and that is that.

May I come to the next point? We have several of what I call meaningless provisions which have been built up as window dressing in the bill. One is what is called promotional allowances. I can understand that where there are four or five companies which are large purchasers of an article, the manufacturer might give certain promotional allowances to one company and different amounts to the others, thereby favouring the operations of one as against the others; but under this bill—and if you don't follow the formula laid down here you have committed an offence—in giving promotional allowances to any purchaser of goods you establish a relationship between the promotional allowances and the dollar value of the sales to that particular purchaser. The manufacturer, in selling to any competitive purchaser, must follow the same formula and give the relative percentage.

There may be some value in that as it applies to big operators but you can never urge it as being beneficial or advantageous to the small businessman, because the allowance he would get in relation to his total purchases would be relatively insignificant. As a matter of fact, I would venture the statement that in many cases the amount the small businessman would get as a result of this provision for promotional allowances would be such that if he were obligated to spend it on advertising it would be of little value to him. It sounds great. It sounds as though by this legislation the Government was proposing that in the field of promotional allowances the big buyers and the little buyers were going to be treated in the same way. But you are really treating them in about the same way as if you gave one person an elephant and another person a baby rabbit. To attempt to justify the promotional allowances as being a vigorous step to protect the small businessman is just meaningless and unrealistic.

Hon. Mr. Pearson: How would you draw the line between the large corporation and the small one with respect to promotional allowances? How would you define the difference between the two?

Hon. Mr. Hayden: Not that I want to avoid answering my honourable friend's question, but I think promotional allowances should not be dealt with in legislation of this kind because they do not enter into the price at which the product is sold. Let us say that I am a manufacturer. I sell my product to you and I give you an allowance if you do certain advertising; in other words, I pay for the advertising that you do. In those circumstances, while it gives a benefit to the large buyer, and there may be some favoritism as between one group and another, I do not think it is the sort of thing that can reasonably enter into the scheme and scope of the Combines Act at the present time.

Hon. Mr. Brunt: Of course, the small merchant can always use whatever he gets to help pay for his advertising. He may not get enough to pay the entire cost of advertising.

Hon. Mr. Hayden: My friend is surely not that naïve. Does he think they are not concerned with money in all these cases? They will pay for so much advertising because they are interested in seeing their goods sold.

Hon. Mr. Brunt: Well, they can pay it to the advertiser who has the small man's business.

Hon. Mr. Hayden: Of course they could, in theory. That is a beautiful theory, but when

you have a small businessman the percentage relationship would produce such a small amount in dollars that the advertising would be insignificant.

Hon. Mr. Brunt: That is a matter of opinion.

Hon. Mr. Croll: It is not a matter of opinion; it is a matter of fact.

Hon. Mr. Hayden: Yes, it is a matter of fact. I do not think it is something upon which you would wish to form an opinion, but rather that you would examine the facts. You will be able to get figures on this when the bill goes to committee.

The other thing I wanted to speak about in this same realm is the question of loss-leaders, to which the senator from Inkerman (Hon. Mr. Hugessen) referred. I have two points of view in relation to the so-called loss-leaders. One is that the only provision made in this bill relating to what is called loss-leaders is in relation to sales by a manufacturer to a retailer. In connection with those sales the manufacturer is not committing an offence under the statute if he refuses to sell further goods in the event of certain conditions to which my friend referred. There are many, many cases where manufacturers sell to middlemen. They sell to the wholesaler, and the wholesaler sells to the retailer, and the retailer does exactly the same thing as he would when he buys an article from the manufacturer; that is, he may use it as a loss-leader. In that case, if a middleman comes in there is no application of this exemption in relation to loss-leaders, and the manufacturer, who presumably is the one who inspired the enactment of this provision, gets no benefit from this section unless he sells directly to the retailer.

Hon. Mr. Macdonald: Does my friend recall that that point was discussed in committee of the other house?

Hon. Mr. Hayden: I am not aware that it was. It could have been, because there was a large volume of evidence, and while I tried to read it all I do not pretend to have kept it all in mind. However, it is quite clear that this loss-leader provision on page 9 of the bill only provides an exemption from prosecution to the seller, who is the manufacturer, where the buyer of the article used it as a loss-leader. Now, the wholesaler does not sell to the public; it is the retailer. If we look at the conditions to which my friend from Inkerman referred, that the misbehaviour, so called, of the retailer, would entitle the manufacturer to refuse to sell him any further goods, we find that the language is so diffused and so confusing that I wonder how it would be possible to come to any conclusion. Let me read from section 14, subsection (5):

> ...if he satisfies—

That is, the manufacturer.

> —the court that he and any one upon whose report he depended had reasonable cause to believe and did believe
> (a) that the other person—

That is, the retailer.

> —was making a practice of using articles supplied by the person charged as loss-leaders, that is to say, not for the purpose of making a profit thereon but for purposes of advertising.

Now, supposing you do not have the case my friend used as an example, where they are giving away beach balls, but something is charged for a so-called loss-leader. Then we are involved in all the calculations to determine whether or not in relation to that particular transaction some profit has been made or no profit has been made. In order to arrive at that properly, since every person in business does some advertising and it is a legitimate cost of his business, you should reflect the advertising value in a lower price for that article as part of the cost. When you start doing all those calculations you can see the difficulties that are going to arise in attempting to prove that the retailer was using this particular article not for a profit but for advertising.

Hon. Mr. Horner: In other words, you would need a lawyer like my honourable friend, and then you would not complain.

Hon. Mr. Hayden: Of course, I know how much my friend loves lawyers. He has been circumscribed in recent years, though, in his comments on lawyers. This is the sort of comment I have not heard from him for a number of years. We have him boxed in, for there are so many close to him in the field of law now that he has to be very careful in what he says. However, when my friend says, "You would need a lawyer", I point out to him that first of all you need a manufacturer; secondly, a merchant; thirdly, a lawyer; and, fourthly, on this set of circumstances, an excellent accountant.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Hayden: When we come to subparagraph (c) in section 14, I think it is the only legitimate condition we have in dealing with this question of loss-leader. That condition is that the other person, that is, the retailer, was making a practice of engaging in misleading advertising in respect of articles supplied by the person charged. I agree that is a legitimate condition. However, I also say that I think there would be a right in the manufacturer, without any legislation, to go after any person who is doing misleading advertising in relation to his goods.

Paragraph (d) is completely puzzling. The manufacturer may get this exemption from prosecution for refusing to sell if the retailer made a practice of not providing the level of servicing that purchasers of such articles might reasonably expect from such other person. That is really the ultimate. That is getting to the nth degree as to what the level of servicing is. Servicing may vary in different localities, and people in some localities may be prepared to pay less for an article and look after the servicing. Some may gamble on the fact that there may be some servicing, while others may be lucky and get a little service.

Hon. Mr. Brunt: Most manufacturers specify if such servicing is required.

Hon. Mr. Hayden: That is a matter of contract. But that is not what this says. This says that the retailer made a practice of not providing the level of servicing that purchasers might reasonably expect.

Hon. Mr. Brunt: Would not a purchaser reasonably expect what a manufacturer specified?

Hon. Mr. Hayden: No. Why would he expect it?

Hon. Mr. Brunt: Well, I do. When I buy a new car I expect it to be serviced—for 4,000 miles or four months.

Hon. Mr. Croll: The same holds good for a television set.

Hon. Mr. Brunt: Whatever they specify—a tube is good for a year.

Hon. Mr. Hayden: So far as paragraph (d) is concerned, my friend is entitled to his opinion. He may be that reasonable man in law around which all legislation and all decided cases proceed.

Hon. Mr. Brunt: Thank you.

Hon. Mr. Hayden: But I am dealing here with a factual situation. How we are going to distinguish between these two categories? Here, for instance, is a merchant in one locality, say the city of Toronto, giving a certain amount of service in connection with articles he sells. There may be another in some other part of the town giving more or less service, and there may be a merchant somewhere else giving no service. They are all selling their product at different prices. How are you going to apply this in different circumstances? This language is too diffuse, unrealistic, and, as a matter of fact, practically impossible to apply; and therefore I say the exemption becomes more or less similar to that of the dummies they put in the window of a store for dressing—it looks well, reads well, but you cannot use it.

Hon. Mr. Horner: That is true of a lot of legislation.

Hon. Mr. Hayden: Yes. I am not talking only of store windows; there are a lot of other things, too.

Hon. Mr. Horner: I could tell you another story.

Hon. Mr. Hayden: Yes, and I could match it.

The next thing we come to is the provision with respect to the Exchequer Court. I was very much interested to hear my friend who sponsored the bill (Hon. Mr. Choquette) explain the great value in naming the Exchequer Court as an additional court. He used language which suggested that you would have all the ability of the Exchequer Court harnessed so as to assist in building up a body of jurisprudence on what is meant by "detriment to the public".

The difficulty that I see in combines law at the present time, quite frankly, is that the judgments of the Supreme Court are so clear cut that there is not even room to wiggle under them. It is not a matter of needing more jurisprudence; it is a matter of whether or not the addition of the Exchequer Court as a court that may hear and entertain injunction motions and may also hear cases which are being prosecuted will provide better administration of justice. The only authority which the federal Parliament has in this regard is found in section 101 of the British North America Act, which reads:

> The Parliament of Canada may, notwithstanding ... from Time to Time, provide for the ... establishment of any additional Courts for the better Administration of the Laws of Canada.

Now remember that in combines legislation we are dealing with criminal law, and under the British North America Act the constitution of courts for the administration of criminal law is left to the provinces, under section 92. The place where the federal Parliament gets authority to establish an additional court with criminal jurisdiction must be section 101 of the British North America Act, but it must satisfy the condition that the additional court is required for the better administration of the laws of Canada.

I do not wish to cast any reflection on the Exchequer Court of Canada, but having regard to that court as presently constituted and to the functions which it performs when adjudicating between the Crown and the subject, and considering the superior courts of criminal jurisdiction in the provinces, which administer the criminal law, and also the combines law which is part of the criminal law, and the jurisprudence that we have been building up in those criminal courts, it would be difficult for me to say

and it would be equally difficult to accept a statement that the naming of the Exchequer Court as an additional court under this act is for the better administration of the laws of Canada. I am helped in that in so far as any prosecution is concerned, for even if the Exchequer Court is set up to entertain prosecutions you can only bring a criminal prosecution into that court with the consent of all the accused.

Hon. Mr. Choquette: Only when a criminal offence is involved.

Hon. Mr. Hayden: I say you can only bring a criminal prosecution under the Combines Investigation Act into the Exchequer Court with the consent of all the accused. That seems to put some limitation on the functioning of this additional court, which cannot be justified on the basis that it is for the better administration of justice. It must be borne in mind that it is only when it is in the opinion of the accused that there will be better administration of justice in the Exchequer Court, and if they elect to have their trial in the Exchequer Court, that that court acquires jurisdiction. It seems to me to create an anomalous situation.

When this bill becomes law the parties may go to the Exchequer Court on injunction proceedings. Why we would need to go to the Exchequer Court rather than to the courts which have been doing the job for years, is difficult for me to understand. You may try to assure me that it will lead to better administration of justice, but in my opinion at the moment it would not have that result.

Hon. Mr. Brunt: It would lead to a more expeditious administration of justice. You could go to the Exchequer Court, and if you lost there you could go directly to the Supreme Court of Canada and your case would be disposed of most expeditiously. Otherwise you would have to start a trial in the superior courts of criminal jurisdiction, then go to the appeal court and then to the Supreme Court of Canada.

Hon. Mr. Hayden: If my honourable friend is concerned with dispatch or expedition, he could provide in the bill that an appeal can be taken from the superior court directly to the Supreme Court of Canada.

Hon. Mr. Brunt: I am sure my learned friend would object very strongly to that.

Hon. Mr. Macdonald: Would that be a better administration of justice?

Hon. Mr. Hayden: I appreciate what my friend from Hanover (Hon. Mr. Brunt) has said. I do not consciously intend to be curt. with him in answering his question, but I think I am giving him the kind of answer justified by the kind of question that he asked when he alluded to the advantage of appealing from the Exchequer Court to the Supreme Court. In my reply I pointed out that you could get the same result if you eliminated the provincial courts of appeal, and you would have one trial and one appeal, whereas in the procedure as it exists now there is a trial, an appeal, and then a further appeal to the Supreme Court of Canada. As my friend said, it is more expeditious; you learn faster what the answer is and you get your judgment that much sooner.

I question very much the value of bringing the Exchequer Court into this picture at all. My own feeling has been that the superior courts of criminal jurisdiction have functioned very well in all matters that come under their charge. They have functioned particularly well in the administration of the combines law. It might be suggested that the addition of the Exchequer Court is a reflection on the ability of the other courts to administer the combines law as it should be administered. In other words, the provision of an additional court, the establishment of which must have for its basis a better administration of justice in Canada, forces me to the conclusion that superior courts of criminal jurisdiction have not up to the present time been giving the kind of administration that this kind of law deserves. I may say that I am not prepared to accept that conclusion.

Hon Mr. Monette: May I ask a question? What has the honourable gentleman to say as to the exclusive legislative jurisdiction of either the federal or the provincial authority? Is it for the federal or the provincial jurisdiction to establish courts to deal with this subject?

Hon. Mr. Hayden: I thought I had dealt with that point, but may I repeat that the constitution of criminal courts is a matter which belongs exclusively to the provinces, and the only authority that the federal Government has to establish additional courts is the authority which we find in section 101 of the British North America Act. It is under that authority that the bankruptcy courts, the admiralty courts and so forth have been established. That must be the authority under which the Government is now seeking to bring in the Exchequer Court, and that is why I say that surely we must have evidence that it can administer justice better. How is that provided? Sometimes the preamble of a bill contains a recital indicating a necessity for such an additional court. But we have no such recital here; we have just a straight provision in the bill that the Exchequer Court

is to have jurisdiction, and we are left to assume that the basis of it is for the better administration of justice. The conclusion follows that the administration of justice is not good enough now and we must appoint the Exchequer Court to provide better administration.

There were two other things that I wanted to mention briefly. You will excuse me if I take a minute or two and talk about a position I took in a matter some years ago.

I have not spoken about resale price maintenance as such tonight, and I have not done so because of the prohibition that has been in the law since 1951. All we are doing here is dealing with an amendment to the section having to do with resale price maintenance. Therefore, I did not regard it as being the proper place to discuss whether the prohibition of resale price maintenance has met the promises that were urged when it was enacted. However, I cannot help making this reference—and I am sorry the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) is not in the chamber, because of his earlier remark about saying something although he might be alone in saying it. That has been my position too.

In 1951 when resale price maintenance was the issue, and before any legislation was introduced or any indication was given as to what the legislation was going to be, I spoke on the address in reply to the Speech from the Throne on the question of resale price maintenance, and in that speech I took a strong stand against it. While I do not propose to read to you what I said at that time, there are one or two points I might mention. First, that prohibition of resale price maintenance would not help the small businessman, even though it was urged at the time that it would. I think subsequent events have shown that it has not helped the small businessman. The small businessman's difficulties develop through large-volume buying by the bigger purchasers of the commodities. Therefore, if you are going to look at the question in the narrower compass, and not at the broad picture as it affects John Q. Public, which the honourable senator from Inkerman mentioned, in that narrower view the small businessman is better off. I said in that earlier speech, and it is still my view, that the small businessman was better off with resale price maintenance than he is with the prohibition of resale price maintenance. Without the prohibition, his ability to make resale price agreements and the exact agreements as made by the manufacturers with the larger purchasers would put him, notwithstanding his small stature, in a position of some equality.

I urged that position at the time in the Senate, and I was a voice crying in the wilderness. When the bill came here, it passed without a voice being raised in support of the position which I took.

Resale price maintenance is now an accomplished fact. I indicated on that earlier occasion that over the years I thought a lot more legislation, conditions and restrictions might have to be evolved once you adopt the principle of resale price maintenance. Now we are looking into the field of loss leaders, for one.

The other point I want to mention—and I trust my honourable friends will bear with me—is simply this. I had intended to make this the whole subject of my remarks: it is a principle to which I have been giving thought for some time, namely, that the basic principle and scheme of our combines legislation is outmoded and antiquated, and it is time we adopted a different principle.

Let me tell you why I think the legislation is outmoded. There have been many inroads into the field of free economy and free competition since our combines legislation came into force, and what the courts have found as the basic principle in that legislation has been trimmed down. The economy has proceeded in so many different directions and the field of free enterprise and free competition has been cut down to such an extent that it is time we found another principle which would provide absolute protection for the consumer and would prevent the exploitation of him by dealing with the situation before an offence is committed, rather than 15 or 20 years afterwards.

Now, I am not propounding an idea of my own. I intend to tell you about the system in England, and it will take only a few minutes.

First, let us understand what is our own basic principle. It is this: the offence under our law is to limit or lessen unduly the manufacture, production, supply or storage of goods or articles by a conspiracy. Our courts have determined what is meant to limit unduly. The latest determination by the courts in that respect may be found in the Howard Smith Paper Mills case, (1957) S.C.R. I do not intend to read the report, but let me summarize what it says. The courts have said that the meaning to be given to unduly limiting is this: if the combination of producers is so substantial that it virtually arrogates to them the field in which they are operating, then that is a combination which unduly limits or lessens competition.

Hon. Mr. Brunt: Even though the price has gone down.

Hon. Mr. Hayden: The courts have said that evidence to show that the result of the combination was a lowering of the price, and therefore a benefit to the public, is not relevant and is inadmissible. Once that basic fact is established you are not permitted under the law—I would say legislated by the courts, because the statute does not say that —to adduce evidence in that respect.

Now, England has what is known as the Restrictive Trade Practices Act, under which there is a registrar and a court made up of judges selected from various courts in England and Scotland and some laymen. By law each agreement of producers which imposes a restriction on any members of that group, and the price at which they sell goods, or the terms etc., must be filed with the registrar. The registrar examines it, he refers it to the court, and the court then makes a determination as to whether or not the restrictions are detrimental to the public interest.

In England they have six or seven rules for determining whether or not something is in the public interest. Those rules are simple and clear. Having laid down those rules they go on to say that the court must be,

> . . . satisfied that the restriction is not unreasonable having regard to the balance between those circumstances and any detriment to the public or to persons not parties to the agreement (being purchasers, consumers or users of goods produced or sold by such parties, or persons engaged or seeking to become engaged in the trade or business of selling such goods or of producing or selling similar goods) resulting or likely to result from the operation of the restriction.

After having satisfied themselves that the restriction does not offend against any of the rules, then you must add up all the pluses in favour of the restriction as being in the public interest, and you weigh that in the balance as against the question of any overriding detriment to the public. Then, if there is any balance in favour of maintaining the agreement, the court will make an order that it is a good agreement. Otherwise, they will make an order that it is detrimental to the public. If the court makes an order that an agreement is detrimental to the public, and if you persist in carrying that agreement into operation, then of course you are in contempt of court.

Hon. Mr. Brunt: May I ask a question just for information? I presume that all the agreements in England must be in writing?

Hon. Mr. Hayden: Yes.

Hon. Mr. Brunt: That is a condition precedent. You could not have an oral agreement in that country.

Hon. Mr. Hayden: I would just point out that all agreements must be deposited with the registrar. Therefore, if you had an oral agreement, a memorandum of it would have to be produced and filed. If you did not produce the agreement you would take the risk of being subject to prosecution for violation of the act. If you produced the agreement and it was declared to be detrimental to the public interest, and you persisted, you would then be subject to prosecution for contempt of court.

Might I just illustrate one of these conditions? The manufacturers might say that the restriction is reasonably necessary, having regard to the character of the goods to which it applies, in order to protect the public against injury in connection with the consumption, installation or use of those goods.

These are conditions—and I have just read one of them—which the manufacturers must meet in order to have the court say that the agreement is not detrimental to the public interest. That is a simple procedure and it is more in accord with present-day conditions. We have many encroachments on our economy. I could enumerate many of them, such as floor prices, marketing schemes in the provinces, and provisions in the Defence Production Act under which a person makes a contract to produce goods for the Crown and is given a statement of allowable costs, and when he has completed the job the department can then determine his percentage of profit. Even though he may have charged 7½ per cent the department may determine that 5 per cent is sufficient. So you have all these supervening encroachments in the field of economy. If time permitted I could enumerate many more, but with the knowledge you have I think you can accept my statement that they exist.

In my view it is time we sought to enact legislation which would assure absolute protection to the consuming public, but we should do it on a basis of acting before rather than after the event. We have that principle in our security laws. Why can't we have it in relation to combinations? I think it would be a more sensible approach. It would give better protection to the public, and it would make procedures more certain so far as manufacturers are concerned. They may act on advice, and 15 or 20 years later they may find themselves in a prosecution under the Combines Investigation Act. This could not happen under the rules I have outlined with respect to the Restrictive Trade Practices Act of England.

I have thrown this suggestion out in brief form, for at this late hour I have not wanted to take too much time. I was greatly pleased when the sponsor indicated he was going to

ask that the bill be referred to committee, for there are many questions that should be answered.

Hon. John J. Kinley: Honourable senators, I listened with a great deal of pleasure to the explanation of this bill by the honourable senator from Ottawa East (Hon. Mr. Choquette), and we have had a clever analysis of the bill by two leading members of this chamber, the honourable senator from Inkerman (Hon. Mr. Hugessen) and the honourable senator from Toronto (Hon. Mr. Hayden). I feel we are going to have an interesting time in committee, for we are told that many competent witnesses are to express their views.

Not too much can be gained by debating the matter further at this time, but I observe one section of the bill with which the honourable senators from Inkerman and Toronto did not deal. I refer to section 11, which reads:

> Section 29 of the said act is repealed and the following substituted therefor:
>
> "29. Whenever, from or as a result of an inquiry under the provisions of this act, or from or as a result of a judgment of the Supreme Court or Exchequer Court of Canada or of any superior, district or county court in Canada, it appears to the satisfaction of the Governor in Council that with regard to any article there has existed any conspiracy, combination, agreement, arrangement, merger or monopoly to promote unduly the advantage of manufacturers or dealers at the expense of the public, and if it appears to the Governor in Council that such disadvantage to the public is presently being facilitated by the duties of customs imposed on the article, or on any like article, the Governor in Council may direct either that such article be admitted into Canada free of duty, or that the duty thereon be reduced to such amount or rate as will, in the opinion of the Governor in Council, give the public the benefit of reasonable competition."

Honourable senators, I will not say anything further about this section now but in committee I would like to hear the able lawyers tell us something about it, for as a small manufacturer in Nova Scotia I have suffered because of this kind of thing during the course of my company's business. I am pleased to see this provision in the bill and I am waiting to hear it explained.

There is another feature of the bill in which I am much interested. I would like to know exactly what the word "unduly" means as it is used on page 6 of the bill under Part V, Offences in Relation to Trade, where it says:

> Everyone who conspires, combines, agrees or arranges with another person
>
> (a) to limit unduly the facilities for transporting, producing, manufacturing, supplying, storing or dealing in any article,
>
> (b) to prevent, limit or lessen, unduly, the manufacture or production of an article, or to enhance unreasonably the price thereof,
>
> (c) to prevent, or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of an article, or in the price of insurance upon persons or property, or
>
> (d) to restrain or injure trade or commerce in relation to any article,...

These things you cannot do unduly. Does that mean you cannot do them more than is necessary? I am not quite sure. Anyway, it seems to me that there is a little protection here that we might investigate.

I have noticed that no person can lay an information about any of these things and have the matter dealt with as in an ordinary lawsuit. There has got to be an investigation by the director and the commission, and it might even go before the minister. It seems to me that when you get into that kind of an investigation, if a complaint is laid it has to be pretty sound, because the minister of the Crown has good advisers and the investigation officers are generally men of experience. Therefore, before the thing comes out in the open it has been well investigated, and perhaps they do try to protect people as much as they can.

I notice that the matter may be taken to the highest court in the land. I am glad of this, for when a matter goes to the Supreme Court you get justice from the highest possible tribunal. It seems to me that this procedure provides another protection for the public.

The honourable gentleman from Toronto (Hon. Mr. Hayden) spoke about servicing. This is very important. I know in my business where engineering skill is required we rely on servicing as a big benefit and advantage to our customers.

Honourable senators, this is not a new bill. It is like an old friend. I remember it was before Parliament when I was in the House of Commons. Loss-leaders and matters that are called interferences with trade and unfair benefits are moot subjects. They have been discussed before and it seems to me that this bill now before us is a little better than bills of a similar nature that came before us previously. I believe that this bill affords greater protection than its predecessors. It is said that there is no jury in these combines cases, but I think that applies only when corporations are charged. It can readily be seen that as a rule corporations would not prefer trial by a jury.

One question that occurs to me is, why is it that in British Columbia the agreements between fishermen and the other interests are removed from the act? That exemption does not apply to any other part of Canada. It may be good or it may not; I hope it is good. However, if it is good for British Columbia, perhaps it would be good for Nova Scotia also and the east coast of Canada

generally. Down our way the fishermen are on shares and are partners in the enterprise. They are quite successful. I note that British Columbia fishermen also are quite successful, and it appears to me that we should find out why they contract out from under this act. I am told that when they were represented here they looked after their case very well. I think that matter should be discussed in committee.

Honourable senators, I am not going to say more, because the act will not come into force until a day is fixed by order in council and the present act will likely remain in force for quite a long time. However, I should like to add that I do not think we have come to any new conclusions on this matter of loss-leaders. I may say that it is very humiliating to me that I cannot go to my neighbour who is a friendly competitor and say: "We are losing money. Why can't we agree to work together on prices and service?" It seems to me that that is done all over the country. I would not be surprised if the big institutions do it; otherwise I cannot see how they can come so close in the things they do.

I am reminded of the statement attributed to Sir John A. Macdonald: "Don't write a letter—never destroy one." The President of the United States was credited with the statement that the least government is the best government. I think if we leave this country to free enterprise and let business alone a bit, and let people stand on their own feet, it would be for the good of our country. Most men can protect themselves in business. Of course, there are monopolies and there is big business. These need direction and some control, but usually they do add to the success and progress of a nation. I think industry should be allowed to go along its way, that people should be allowed to work where they wish, and that industry should be enabled to make a profit on its merits. I hope our country will still allow the person who works and achieves to earn his reward in accordance with what he produces.

Hon. Mr. Horner: May I ask the honourable senator if when he was speaking of his neighbour he was referring to the drug business?

Hon. Mr. Kinley: No. I am not in the drug business.

Hon. Mr. Horner: Because if so, I can't imagine any drug business not making a profit.

Hon. Mr. Kinley: I thank you for the compliment.

Hon. Mr. Wall: Honourable senators, I beg leave to adjourn the debate.

Hon. Mr. Aseltine: I was wondering if anyone else wished to speak on the bill this evening. If possible I should like to get it before the Banking and Commerce Committee tomorrow.

Hon. Mr. Wall: I can speak now, if the house wishes, but it will take me 45 to 50 minutes to do so.

Some Hon. Senators: Go ahead.

Hon. Mrs. Fergusson: Honourable senators, I too would like to speak on this bill this evening, too, but not at the end of a 45 minute speech.

Hon. Mr. Croll: Let the honourable senator from Fredericton (Hon. Mrs. Fergusson) speak first.

Hon. Muriel McQ. Fergusson: Honourable senators, I certainly hesitate to take part in this debate after listening to the brilliant speeches of those who have preceded me—the sponsor of the bill (Hon. Mr. Choquette) and my colleagues from Inkerman (Hon. Mr. Hugessen), Toronto (Hon. Mr. Hayden) and Queens-Lunenburg (Hon. Mr. Kinley). However, I do have a special interest in this bill, and I would like to say a word or two about it.

My special interest is in clause 14 of the bill, which amends section 34 of the Combines Investigation Act. I should like to see clause 14 eliminated altogether, if this bill is to become law. To me this is the bad part of the egg referred to by the honourable senator from Inkerman. The amendments contained in clause 14 are considered by many people to be contrary to the best interests of the Canadian consumers, as was proved by the large number of witnesses before the committee in the other house who opposed this clause.

All the people of Canada are consumers, from the smallest child to the oldest citizen, and any legislation contrary to the interests of consumers affects adversely the general public.

Resale price maintenance is now prohibited by section 34 of the act, as was pointed out by the honourable senator from Inkerman, and this prohibition of resale price maintenance is considered by many who have given serious study to the problem to be in the best interest of consumers generally. Of the large groups which have studied this problem, one which is in favour of retaining the prohibition of resale price maintenance and is opposed to the provisions of clause 14 is the Canadian Association of Consumers. This association, which is dedicated to the good of consumers, was organized thirteen

years ago, as I well remember, for the National Council of Women assisted in its organization. As provincial president of the Council of Women in New Brunswick at that time, it was one of my pleasanter duties to arrange for the organization of the group in my own province. The Canadian Association of Consumers now has a large membership in Canada, as mentioned by the honourable senator from Inkerman, and practically all of its members are deeply interested in and very knowledgeable about consumer problems. I might say that the Canadian Association of Consumers continues to have the support of the National Council of Women and 16 other national women's organizations. The president of the association gave evidence before the committee of the other house, and I hope it will be possible for her to give evidence to the Senate Banking and Commerce Committee, for I am sure her arguments against the passing of clause 14 will be found very convincing by honourable senators.

The amendments that are proposed in clause 14 of the bill before us would provide loopholes in the ban on resale price maintenance and certainly make it easier for resale price maintenance to creep back into our economy. They would make it much more difficult, and perhaps impossible, to secure convictions against suppliers who appear to be indulging in this practice. It is true that the amendments in clause 14 do not eliminate the ban on resale price maintenance, but certain pricing, advertising and servicing practices are brought under control by the amendments, and it would seem that thereby the ban on resale price maintenance will lose its effectiveness.

I am glad to know that the honourable senator who sponsored the bill (Hon. Mr. Choquette) intends to have it referred to the Banking and Commerce Committee for study. I hope that, late in the session though it is, the Canadian Association of Consumers and any other groups desirous of appearing before the committee and presenting their views will be permitted to do so. These amendments if passed will have very far-reaching effects. They certainly deserve thorough study, and I am sure that if they receive this from honourable senators much additional protection will be provided for Canadian consumers.

Hon. William M. Wall: Honourable senators, we have before us what is really the first major revision of the combines investigation legislation since 1952, at which time, as a direct result of the interim report of the MacQuarrie Commission the former Liberal administration amended the act to put a legal ban on resale price maintenance and to make other changes.

I commend to the attention of my colleagues the debates which this significant strengthening of the act then engendered, and especially the attitude and the arguments of the spokesmen of the Conservative party, who claimed that this ban on resale price maintenance would have a crippling and chaotic effect upon the independent retailer.

The present Bill C-58 has produced a tremendous amount of discussion and evidence in the other house and in the Standing Committee on Banking and Commerce, running to approximately one thousand pages. All this I have read as carefully as possible and I have attempted to make a sincere appraisal of the basic issues that are involved. Thinking of the general public interest, especially in terms of the expectations and the needs of the average Canadian whose economic and other interests must to me be primary, I have no hesitation in stating my belief that Bill C-58 in its present form is ill-advised in several of its substantive sections, and about these I shall speak at some length.

I further believe that the case for the incorporation of these ill-advised sections has not been adequately proved, especially in view of the evidence that was presented to the Standing Committee on Banking and Commerce. Because I feel rather keenly about my obligations as a senator to look carefully at all evidence and at all discussions so that I may give any new legislation the second sober appraisal, I think I would be remiss in my obligations if I did not register my opinions as vigorously as possible, if I did not plead for and work for further substantive amendments, and finally, owing to lack of what I believe to be the necessary amendments, if I did not vote against Bill C-58 in its present form.

Honourable senators may indeed disagree with the position I am now stating, but that is how I feel and how, in response to my conscience, I must act. The honourable senator for Inkerman (Hon. Mr. Hugessen) dealt with some of the beneficial sections of this legislation and has criticized severely others. I recognize some of these beneficial sections, sections like 33 (b) which attempts, I think inadequately, to deal with the problem of equity in promotional allowances, and section 33 (c). And as the honourable senator from Ottawa East (Hon. Mr. Choquette) pointed out, there is now an attempt to improve the administration of justice in respect to this legislation by employing the services of the Exchequer Court. I also recognize that some beneficial amendments

have been agreed to by the Government since the bill was first introduced, and I am pleased that these changes have been made.

There is in clause 1 (2) (f) a clarification of the definition of the word "monopoly" to make it clear that rights or enjoyments of any interest derived under the Patent Act or any other act of Parliament will not be deemed a monopoly situation. This particular aspect was somehow overlooked in the shuffle.

Secondly, statutory right is given to the Restrictive Trade Practices Commission, and the statutory right of the director to apply to the minister to get legal counsel is retained, with all that this means in having these statutory requests to be a matter of public record. Frankly, the original intent to leave this at the discretionary power of the minister perturbed me a great deal and I am pleased that this very evident blunder was corrected.

Thirdly, there has been included in clause 12 new paragraphs (2a), (2b) and (2c) to provide the right of appeal from an order of prohibition or dissolution. In this connection I might note that I still fail to see why the words "has done" have been included in subsection (2) of this clause 12 making it possible for the court to issue an order that a criminal offence which has been committed be not repeated. Is this not an inherently dangerous principle?

Continuing with my enumeration of these beneficial amendments, honourable senators, I point out that in clause 13, new section 32, on page 7 two new subsections, (4) and (5), have been added to give some measure of statutory protection to various agreements or combinations for export trade purposes only. How this will work in practice is hard to know. To what extent harmful influences may osmose or creep into the domestic field is difficult to estimate, but the change on balance seems reasonable and desirable and time will show how this new protection to exporting industries will function, provided we can differentiate the many factors that are inevitably involved through continued study and appraisal.

I have listened with fascination to the very brilliant explanation of the apparent inconsistencies in the act, and I am now pointing out subsection (5) of this clause 14, which is on page 9—the rather brilliant discussion of the apparent inconsistencies in this subsection by the honourable senator from Toronto (Hon. Mr. Hayden). I recognize the import of his very pertinent observations, and I hope they will be taken into account when the committee meets.

My last reference to beneficial amendments concerns the disappearance of paragraph (e) of clause 14 (5). I refer to page 9 of the bill. We now have only paragraphs (a), (b), (c) and (d). Paragraph (e) stated that a supplier could withhold supplies to a dealer if he unfairly disparaged the value of the articles supplied—whatever that meant, and however that was to be measured or adjudicated. I shall make further comments about section 14 at a later stage of my presentation.

Worth while as these amendments are, they do not touch the roots of my critical attitude to this legislation. Before I explain what is the substantive core of my opposition to the bill in its present form, I would like to make these additional preliminary observations.

I agree with opinions expressed in the other house and presented to the Standing Committee on Banking and Commerce, that this major revision of our combines legislation might have involved a substantial extension of the legislation into the rapidly expanding services sector of our economy. Honourable senators will note that the definition of "business" in section 1(1)(aa) does not foresee this extension. I respectfully submit that the Government should continue to give this services sector problem careful attention and study.

Speaking strictly as a layman, and reflecting the opinions of many Canadians who have discussed this problem with me, I draw to your attention the fact that no significant changes have been made in the punishments for infractions of the combines legislation. I refer you to clause 13 of the bill, and in particular to the new section 31A (2), and to section 33. Surely it is a matter of record that the imprisonment punishment is not being used, and that the fines which have been levied over the years have not been unduly onerous to the corporations which have been found guilty of deliberately breaking the law, even when one adds to these the ancillary costs to the companies involved. The latest fines of the pulp and paper companies is an interesting example, when one considers the probable benefits which accrued to these companies during some seven years of illegal contravention of the combines legislation. Many ordinary Canadians feel that these punishments do not fit the seriousness of the crime when compared to the size of the firms involved and the nature of the benefits which may have been enjoyed because of illegal collusive behaviour. Acidic remarks are often made that these punishments are somewhat akin to paying a kind of license fee, and I have been asked why Parliament does not give some direction to the courts to stiffen these penalties.

At this point, I feel that it is important to refer to the testimony of non-governmental

experts—economists, law professors, etc.—who contend that there has been an inadequate check and study of the merger problem. These experts claim that mergers may lead to monopoly situations through what is called price leadership or other means, and they point to the breweries case to show that we are apparently thinking now in terms of virtually a complete monopoly.

Professor English of the Department of Economics of Carleton University stated his opinion in these words:

> The amendments make no effort to deal with this problem. While it must be admitted that there are great difficulties in finding a legislative solution, the important point for a critic of Bill C-58 is that the amendments proposed neglect the one area of Canadian legislation where recent judicial interpretation has shown a possible weakness in the law.

Professor Maxwell Cohen, Acting Dean of the Faculty of Law at McGill University, discussed the three important court cases dealing with the merger or monopoly situation, namely, *Rex v. Staples*, *Rex v. Eddy* and *Regina v. Breweries*, and indicated that the type of facts available to the courts in these three cases were so different that it was difficult to evolve any general principle of law that now exists in this field.

Dean Cohen's considered suggestion was phrased in this question:

> ...whether the time is not right to explore with much greater care and sophistication the whole problem of merger policy, and the type of law which ought to apply in that area where we have so little experience, and where the judicial process has been unable as yet to make serious contribution.

Professor Cohen pointed out that last year's amendments to the combines legislation—Bill C-59, a copy of which I have on my desk—contained a section which listed certain matters which would be regarded as legitimate defences to merger situations. He indicated his approval of the fact that these did not appear in the present bill and stressed that it was perfectly clear to his mind that there is a degree of uncertainty as to the direction in which merger law should go, and he wondered whether the Bill C-58 should tamper altogether with the present provisions.

I believe this quotation fairly summarizes his position:

> I merely am suggesting that this is a very complex and difficult problem and it involves much understanding of what is happening to the modern corporation and it involves a great understanding of the changes in the day-to-day operation of the affairs of corporations, to problems of vertical and horizontal integration. Therefore I wonder whether there is any reason at all to experiment even in this modest way before we begin to explore the situation.

Dr. L. A. Skeoch, Professor of Economics, Queen's University, dealt with the same problem of definitions of mergers and monopolies, and pointed out that:

> ...the way in which a "merger" is defined makes it very doubtful that the subsection would apply to what is known as "conglomerate" mergers; that is, mergers between firms in different trades or industries. Such mergers present problems in public detriment that are often of a subtle, long-run character, particularly in a country such as Canada where "economic power" tends to be concentrated in fewer hands than is the case in larger economies.

The evidence of these neutral observers and students of our combines legislation prompts me to bring this problem area to the attention of the honourable senators, and to express the hope that the Government will continue to study the merger-monopoly question with vigour and assiduous care. Putting it bluntly, it appears that we cannot rest on our current laurels for we are not out of the woods by any means.

I have also examined the historical development of our anti-combines legislation, beginning with the first experimental provisions in the Criminal Code introduced by the Conservative Government back in 1889 and 1892. This historical analysis, which is well known to all honourable senators, is illuminating and instructive both with respect to the traditional attitude of the two major political parties to anti-combines legislation and administration, and to the continued and unrelenting attempts of big business to blunt the effectiveness of combines legislation.

It is to the second aspect that I wish to speak briefly, for most assuredly this historical overview tells us a great deal about the attempts made to destroy or to dilute the effectiveness of what has been essentially Liberal-sponsored anti-combines legislation, primarily through the courts. Beginning with 1910 when the Laurier Government introduced the first anti-combines act, the Liberal party has traditionally insisted that there must be free competition in prices and markets. All acts which lessen competition were regarded by the Liberal administrations as unlawful, and throughout the years Liberal Governments have vigorously and successfully enforced this concept of combines control, although this enforcement proved to be increasingly difficult from the point of view of both legislation and administration.

Big business has persistently challenged the act in the courts. After the enactment of new anti-combines legislation in 1923, the Liberal Government successfully instituted the first major inquiry and prosecution in the *Western Fruit* case, 1925. The attack upon this legislation in the 1920's took the form of trying to prove that in seeking to deal with

prices and compensation the Criminal Code and the anti-combines act were really concerned with problems involving "property and civil rights", which is an exclusive provincial jurisdiction under heading 13 of section 92 of the B.N.A. Act. Consequently, this section of the Criminal Code and the anti-combines act were unconstitutional and *ultra vires*. In 1929 the Liberal Government referred this matter to the Supreme Court of Canada, which ruled that both laws were criminal and therefore within the jurisdiction of the federal Parliament under heading 27 of section 91 of the B.N.A. Act.

The next major test came in the *Proprietary Articles Trade Association* case, where it was found that a combine was operating and a conviction was obtained in the lower courts. The case finally ended in the Privy Council, which body confirmed the Supreme Court's judgment of 1929.

Then came the famous *Container Materials* case in 1942. Convicted in the lower courts of operating a combine, the company appealed the case to the Supreme Court on what was essentially a much more subtle and intangible argument. In effect, the case apparently rested on the fact that the Criminal Code spoke of "undue" lessening of competition, to which the honourable senator from Queens-Lunenburg (Hon. Mr. Kinley) referred. So there may be lessening of competition and undue lessening, and so there may be good and bad combines. Fortunately, the appeal was dismissed. Perhaps the last major case of interest in connection with this unrelenting effort of big business to temper if not to destroy the effectiveness of anti-combines legislation came in the 1957 decision of the Supreme Court of Canada in the *Fine Papers* case.

Hon. Mr. Thorvaldson: Would the honourable senator permit me to ask a question?

Hon. Mr. Wall: Surely.

Hon. Mr. Thorvaldson: Why do you call it an attempt by big business to destroy the Combines Act just because business found it necessary to defend itself in the courts? Do you mean that phrase realistically or not?

Hon. Mr. Wall: Yes, I mean that phrase realistically. As I understand it, the argument presented by the appellants was that there was keen competition in all phases of the business except price. What happened with price was not collusive agreement but what was termed "price leadership". All companies apparently followed the lead of one company, but this was not undue restriction of competition. The Supreme Court confirmed the conviction.

Of great significance to me, as a lay student of these matters, are the clear-cut explanations of what is the basic philosophy of the jurisprudence that has grown up over the past three decades.

I want to make just one reference from the Canada Supreme Court Reports, 1957. The judges ruled unanimously and I want to refer to the written judgment of Mr. Justice Taschereau, and I quote:

> I wish however to add a few observations concerning the necessity of showing detriment to the public, and as to the meaning of the word "unduly" found in s. 498 (1) (d) of the old Criminal Code, under which the charge is laid.
>
> It has been argued on behalf of the appellants that the offence is not complete, unless it has been established by the Crown beyond a reasonable doubt, that the agreement was detrimental to the public, in the sense that the manufacture or production was effectively lessened, limited or prevented, as a result of the agreements entered into. It has also been suggested that there is no offence, if it is shown that the acts complained of were beneficial to the public. With these submissions I entirely disagree. Conspiracy is a crime by itself, without the necessity of establishing the carrying out of an overt act.

I could give quotations from other judgments which are basically the same.

As I understand this, under present liberal law a combine is guilty if in the judgment of the court it conspired to do anything which unduly lessened competition. Apparently, even if the combine did nothing specifically detrimental to the public good, if it conspired then it was guilty. In other words, actual or specific damage by combines to individuals or the public in the form of prices, quantities, quality or markets was not a factor. If there was proof of conspiracy, the combine partners were guilty. It is the conspiracy and not the specific, actual injurious acts which constitutes the crime.

Hon. Mr. Thorvaldson: It is not that at all; it is conspiracy to lessen competition. That is a complete offence, not just a conspiracy.

Hon. Mr. Wall: Well, I am speaking as a layman, and that is the way I understand it.

Hon. Mr. Thorvaldson: I am speaking as a lawyer.

Hon. Mr. Wall: I wish to bring into this context, then, part of the statement of Mr. Justice Batshaw given at the Court of Queens Bench, Montreal, June 15, 1960:

> The two elements of agreement and common design are thus essential ingredients of the crime of conspiracy. The mere concurrence of intention is not enough. It requires the announcement and acceptance of the intentions. But as soon as the parties come to such an arrangement, the conspiracy is born, even if they never committed any overt act towards carrying it out. The offence is complete as soon as the parties have agreed to the common design.

His judgment finds no specific damage and he places no dollar value on losses or gains to farmers or companies.

After its thorough investigation of our combines legislation, the MacQuarrie Committee report stated:

> The courts have been at pains to explain not only that they are not required by the legislation to find specific detriment but that they would not be apt instruments to make such a finding.

And further, pointing out that public injury would be very difficult to prove because of a wide variety of impinging factors, the MacQuarrie report states:

> The very existence of the combine usually served to eliminate all basis of comparison by which the reasonableness or the reverse of the prices established by the combine can be measured.

I am not trying to belabour this point, but to me it is very fundamental. As I understand our anti-combines legislation, we have not worked out a series of carefully worded prohibitions of a specific nature, to be administered by special courts such as the British Restrictive Practices Court, to which the honourable senator from Toronto (Hon. Mr. Hayden) referred; but rather we specifically prohibit certain undesirable practices about which there is general agreement, and we rely on a prohibition of restriction of competition *per se*. For years we have carefully avoided a listing which the business community is so anxious to win, and thus we have avoided rigidity in the law, and have avoided, also, the search by business for new legal loopholes which would invite extended litigation. Nor has our law accepted the concept that specific detriment must be proved. We have simply said from past experience, amply fortified, I must say, by a great deal of evidence, that Canadian-owned and foreign-owned corporations have attempted to set up illegal combines—we simply say that this past experience proves that the mere existence of certain practices introduces rigidity into our economic structure, and apparently always leads to potential or actual interference with the benefits of competition. The honourable senator from Inkerman (Hon. Mr. Hugessen) pointed that out from a study from which he read. Believing that our society should leave to private enterprise most economic functions on the premise that there will be thus a wide dispersal or decentralization of decision-making regarding production, services, distribution and what have you, we set up anti-combines law to guarantee, as far as we can, that this dispersal or decentralization will not be frustrated by business interests that wish to be protected from the pains and uncertainties of competition. Quite frankly, when anti-combines legislation is criticized by business, I always have the suspicion that the extent of this criticism bears some lineal relationship to the success this legislation has in providing this decentralization and this freer competition.

This brings me to my first major area of criticism and opposition to the present wording of the bill we are considering, namely, clause 13, which amends section 32(2) of the act, and lists the defences which will protect business from prosecution for the so-called beneficial co-operation purposes: to exchange statistics, to define standards, to exchange credit information, to define trade terms, to co-operate in research and development, to restrict advertising. Then there is a catchall for some other matters not related to prices, etc., in (3).

Because no evidence has been given that any companies have been prosecuted or convicted for any of these new defences, and because no evidence has been produced to show that this specification of beneficial co-operation and combining is really needed, I am in substantive agreement with the many expert and impartial students of this problem that the spelling out of the specific reasons for which it will now be legal to consult and to agree will provide an effective umbrella or smoke screen behind which will be conducted other agreements to suppress competition, even though we have tried to safeguard ourselves from falling into this difficulty by providing that additional provision, subsection (3). I believe that these new defences will open the door, psychologically and practically, to other forms of collusive behaviour which will not be in the public interest, simply because bitter experience has shown that when some businessmen get together, for apparently legal purposes, other things seem to happen. They have happened in the past; they will happen again. I believe, too, that the present law, as presently administered, provides adequate defences to which businessmen are entitled, and we do not need to spell these out. Let the onus of proof remain where it is, and where it should be, on those who get together.

Many witnesses appeared before the Standing Committee of the other house to warn of the dangerous implications of this new change. I will mention some by name: Professor Cohen, Professor Britnell, *et al.*, who sent a written submission; they are from the University of Saskatchewan, Professor Skeoch, and others. I note that the Minister of Justice claimed that somehow this subsection (2), that is, the one which provides the defences, would benefit the consumers and the general public, but this was merely a generalized statement, and I fail to see any proof. The minister also claimed that all this was doing was to make abundantly clear to

the businessmen what their position is. I believe that businessmen already know what their position is, and it is abundantly clear that impartial observers feel that not only is it not necessary to perform this clarification ritual but that it manifestly opens the door to new dangers. I remain unconvinced that these seven new and to-be-legalized loopholes will not undermine the practical effect of subsection (1). I believe that no company has ever been prosecuted for the first six practices, and the only reason for listing them is to encourage such liaisons and make it easier for more sinister relationships to be more conveniently practised. The seventh loophole, a sort of catchall basket clause, subject as it is to subsection (3), perturbs me a great deal. I believe that it gives a very broad escape hatch, as if the Government, having enumerated all conceivable ways of beneficially combining or co-operating, ran out of ideas and put in a basket clause to provide for new and more interesting reasons for companies and businessmen to get together. I believe that subsections (2) and (3) should be deleted from the bill.

Into this context, and before discussing clause 14, dealing with legal reasons for suppliers withholding supplies, I must draw your attention to clause 12 of the bill, and especially to the words "has done" which you will find on page 5, line 24. I have been told that this apparently innocent provision may greatly encourage the formation of combines, mergers and monopolies because it provides an escape without conviction for an offence that has been committed. I fail to understand why the courts should now be given power to issue a restraining or dissolution order without conviction where the offence has been committed. How can we explain to the ordinary Canadian citizen that when a criminal offence has been committed we shall no longer automatically institute criminal proceedings, as is done for ordinary people, but we shall permit an alternative and, to me, a kind of civil action procedure? Are we not introducing here a new and dangerous principle which really means this: In some cases, when an offence has been committed, the courts may, on motion of the different Attorneys General, simply issue an order that it be not repeated? Are we not giving psychological and even practical encouragement for groups of companies to experiment in getting together? Is this not a civil remedy for what is already proven to be a criminal act? What is its constitutional position? Furthermore, why should we be giving discretionary power to the Attorneys General in cases where laws have already been contravened and so judged by the courts? Why should the Government not prosecute in cases where arrangements have already been made contrary to the act, and leave unchanged the 1952 provision that the courts may grant an injunction to prohibit anything in the form of a combine or merger that is about to be or likely to be done in contravention of the act? This would still enable the courts to rule whether any planned merger or monopoly was to the public detriment, without making this power retroactive to offences already committed. I simply fail to understand how we may explain to the Canadian public the purpose or the equity of this new change in clause 12.

I wish now to speak about clause 14—that is the part which has been discussed tonight —new subsection (5). This is the subsection which provides four legal excuses for the withholding of supplies. The fifth one, dealing with the unfair disparagement excuse, has now mercifully been taken out. I hope that we will mercifully take out the other four.

I believe that the consumer or the general public is entitled to have the greatest degree of efficiency promoted by free competition in all stages of production and distribution, and this new subsection does tinker or tamper with competition in distribution. Whatever be the expressed intent of this new subsection, I believe that it will lessen competition at the retail level especially, for it will penalize those retailers who may evolve new, more efficient and less expensive retail practices. I believe that the present amendment to this section will lead to downward and upward pressures for resale price maintenance—downward by the manufacturers and wholesalers, who will now be armed with a legal right to exert pressure; and upward by retailers, who will be putting pressure upon distributors and manufacturers because they believe that they are subject to painful competition on the part of those retailers who are simply exercising their common law right to direct their own marketing policies and practices as they deem best suited to their consumer trade.

In blunt and sincere terms I state my belief that subsection (5) will go a long way to reinstituting an indirect form of resale price maintenance and will also go a long way to meeting the fervent hope of some representatives of the Canadian business world that this Parliament should totally lift the legal ban on resale price maintenance, and thus permit the supplier to administer the prices directly and openly.

I reject as specious the arguments which do tax my credulity very severely, that suppliers must try to protect the consuming public from its own foolishness and be

prevented from making free choices between real and spurious bargains. Why should any supplier of goods limit my free choice—that is what is going to essentially happen—to purchase from a variety of retailers, thereby choosing by my own volition the kind of servicing I may desire? What we need more than anything else is not the introduction of a variant or hybrid type of indirect price maintenance, but rather a strengthening of our legal protective devices to prevent false or misleading advertising, in all its external forms, and I do hope sincerely that the new section 33(c), in clause 13 of the bill, will provide this additional protection. It is not the business of Parliament to provide an indirect but henceforth an apparently legal pricing structure to subsidize marginal operators or to protect them from what has been termed painful competition. For that will be the result of these relief-type amendments. We are dealing here with the dilution of a rather basic principle, namely, that interference with competition should be under public and not private supervision or control.

There has been a great deal of talk about the dangers and evils of loss-leader selling and that this is one of the basic reasons for this change. As a matter of fact, and my opinion is confirmed by more expert students of this problem, I believe that this loss-leader problem is almost like a bogey which has been heavily overdramatized by some associations and some manufacturers to build up a case, and objective inquiries made by the director and the commission demonstrate that the number of cases where such loss-leader selling occurs—by that I mean selling at less than the cost and thus without any profit, however you may define the word "profit"—is small.

I repeat, that the number of such cases is so small, so sporadic, and so unproven as not to make it a serious problem even for measurement, let alone for the formulation of a major social policy, which is what this subsection is doing.

Dean Cohen summarized in these words his opposition to what he termed this partial opening of the door to resale price maintenance on the grounds of fairness, which grounds of fairness he claimed were not substantiated by evidence of objective need. He said:

> Now the result will be to allow the cutting off by a vendor of a purchaser on the ground that the vendor had reasonable cause to believe that these events were taking place as set out in clauses (a), (b), (c) and (d); which events in clauses (a), (b), (c), and (d) are in any case extremely difficult to define.... Where no urgency, why risk this change? To administer the introductory clause suggests, it seems to me, the possible emergency of gossip and informers which will not make any constructive contribution to the business community.

Dealing with the probable effects of subsection 5, Professor English of Carleton University made this interesting observation:

> In the first place he—

That is the supplier.

> —will not be likely to act unless a considerable group of small retailers puts on sufficient pressure to make it worth while for him to interrupt his relations with a chain. If it does become worth while the action will amount to the administration of a private law based on hearsay. The effect can only be to raise or maintain prices to consumers and what is more important it may, if effective, remove from the consumer his freedom of choice between retail outlets. Whether the consumer wants a low-priced product without services or a higher-priced product is surely not the business of the manufacturer—or, I might add, of the Government. In particular the idea that the manufacturer should be permitted to determine "the level of servicing that purchasers might reasonably expect" is an intrusion upon their freedom.

Presenting a brief which had been approved by four of his colleagues, Dr. L. A. Skeoch, Professor of Economics of Queen's University, made this summary statement about the proposed changes to section 34 of the act:

> Altogether we consider the legislation unsound in principle; it is manifestly unfair to adopt legislation which will prove to be enforceable only in certain trades. This consideration raises the wider issues as to why the Government should empower certain sectors of the economy to enforce prices which will yield a profit over cost whilst denying the same right to other groups, such as farmers. Again, we consider the principle of requiring sales at cost plus reasonable profit "unsound and dangerous", but we do not see how the principle can be adopted in one field and denied in others.

In a letter to the Chairman of the Standing Committee on Banking and Commerce, Professors Gordon and Brewis, state bluntly:

> In spite of the expressed intention of the framers of Bill C-58 that the prohibition of loss-selling shall not be regarded as a reinstatement of resale price maintenance—

Hon. Mr. Brunt: May I ask the honourable gentleman, is that a quotation from the other place?

Hon. Mr. Wall: Yes.

Hon. Mr. Brunt: Is it not out of order to read from the *Hansard* of the other place?

Hon. Mr. Wall: It may be out of order to quote from the record of a committee, but it has been done in this house.

Hon. Mr. Macdonald: Mr. Speaker, on a point of order, the honourable gentleman is entitled to read from any such report.

The Hon. the Speaker: I am not sure that he is entitled to read from the report of a committee of the other place.

Hon. Mr. Macdonald: Mr. Speaker, the *Hansard* of the other place is the record of the proceedings that take place in the House of Commons. The report from which my

honourable friend is reading is not a report of the proceedings of the House of Commons, but of the proceedings of a committee of that house. It has always been a recognized rule that the reports of the committees, outside of the house, do not constitute part of *Hansard* and can be referred to in this house. If the honourable gentleman were quoting from *Hansard* of the other place, I would agree with the honourable gentleman from Hanover (Hon. Mr. Brunt) that he was out of order. But, as I say, he is not quoting from *Hansard* of the other place.

The Hon. the Speaker: The honourable junior senator from Winnipeg (Hon. Mr. Wall) is quoting from the proceedings of a committee of the House of Commons. I am under the impression, though I have not studied the point, that in the traditions of this chamber he should not refer to any proceedings of the other house which took place during the present session.

Further, if an honourable senator quotes from evidence given before a committee, in all fairness to the subject-matter under discussion he should also quote from witnesses who testified on the other side, contrary to his view. In other words, if one is to give a true impression of the testimony given before a committee of the other place, he should quote not only the evidence of witnesses who testified in favour of the conclusion to which he has come, but also the evidence of witnesses who were adverse to this conclusion.

However, I am not sure that it is proper in this chamber to quote extensively in reading a speech which is substantially made up of quotations from proceedings which took place in a committee of the other place. I doubt that it is proper.

Hon. Mr. Macdonald: I hope, Mr. Speaker, if I may say so, that you will not make a ruling to that effect tonight.

The Hon. the Speaker: No. I bow to the greater experience of the honourable Leader of the Opposition, (Hon. Mr. Macdonald), who was for some time Speaker of the House of Commons. I defer my decision on the point.

I understand that the honourable junior senator from Winnipeg (Hon. Mr. Wall) is nearing the conclusion of his speech. Throughout his speech I have been wondering whether or not he was out of order, but no objection was raised. With that admonition, I would ask him to refrain from quoting extensively from reports of proceedings of a committee of the other house. Let him give his own opinion, not the opinion of other people.

Hon. Mr. Macdonald: I am sure I cannot object to that, Mr. Speaker.

Hon. Mr. Wall: I stand to be corrected, and subject to further instruction.

Honourable senators, if I may, I shall complete the quotation I had started to read, and I shall paraphrase other quotations.

Professors Gordon and Brewis, in a letter to the chairman of the committee, said:

> In spite of the expressed intention of the framers of Bill C-58 that the prohibition of loss-selling shall not be regarded as a reinstatement of resale price maintenance, we believe that such prohibition will in fact have this effect, and in our opinion the public interest will not be served thereby.

Much the same opinion came from five members of the University of Saskatchewan, who were members of the Economics and Political Science staff, and who presented a written brief.

Hon. Mr. Thorvaldson: May I ask the honourable senator a question? Are the various quotations which he has given tonight from the committee reports all on one side of the question, namely, from persons who were against the bill, or has he also quoted any persons who were in favour of the bill?

Hon. Mr. Macdonald: They are hard to find.

Hon. Mr. Wall: They are hard to find. I have read the reports of the committee.

Hon. Mr. Thorvaldson: All of them?

Hon. Mr. Wall: Their considered statement was that they felt this amendment which provides for these defences would strengthen the manufacturer in his dealings with the distributor, weaken competition among distributors, and bring ultimate loss to the consumer.

Hon. Mr. Thorvaldson: Most of these men were professors, were they not?

Hon. Mr. Wall: That is correct.

Hon. Mr. Thorvaldson: Theorists, is that right?

Hon. Mr. Wall: That is a statement you could infer but which I cannot accept. Step by step, honourable senators, these expert students of economic problems—and as such I believe they are—

Hon. Mr. Thorvaldson: Just students.

The Hon. the Speaker: Order.

Hon. Mr. Wall: —demolish the case or the inclusion into this bill of subsection (5). The problem of loss-leaders is proved sporadic and not justifying legislative action; the arguments about business failures in the retail and wholesale sectors of our economy are disarmed by statistical evidence; and indeed, the whole case for these defences for refusing supplies is assessed soberly by these trained economists and found to be wanting because they

believe that it will bring to us indirect forms of resale price maintenance.

Let me hasten to add—and now I am not speaking about theorists—that representatives of associations who may be considered to reflect general public opinion have gone on record as being especially opposed to these particular amendments because they fear that they will reinstitute resale price maintenance. I am referring to the Canadian Association of Consumers, the Canadian Federation of Agriculture, and the Co-operative Union of Canada.

Honourable senators will have noted that because there had been so much talk about unfair competition practices through loss-leader selling, the Liberal Opposition in the other house moved an amendment to clause 14 whose effect would have been to delete these defences and to make loss-leader selling an offence. The second paragraph of this amendment listed exemptions which would protect a retailer from conviction if he was selling broken or discontinued lines, if he had an end of season clearance, etc.

I must confess that I was greatly intrigued when the Minister of Justice took strong objection to these exceptions, and he pointed out that most of these exceptions were matters of opinion and that there was no certainty in their defences. He said:

> The whole thing is in the area of opinion. There are no criteria which are capable of being reduced to legal language by which you could measure the definition of loss-leader.

That is fine. I agree with that and yet, honourable senators, with no more adequate criteria for a similar practice of loss-leader selling, as in subsection 5(a) and for other ill-defined practices of attracting customers and using misleading advertising and not providing the level of servicing which the customers of such articles might reasonably expect, this Parliament is being asked to give legal protection to suppliers who discontinue the supplying of their retail or other outlets through a system of private commercial regulation. I believe that no valid case has been made for the apparent rush for these specific amendments, and the Minister of Justice can hardly blame those who twit him about his criticism of the former Government for its apparent rush to place a ban on resale price maintenance. I too believe that there is nothing especially urgent about the passing of Bill C-58, although it does contain many useful amendments which I can support. But really what is so pressing about all this that we must rush into substantive changes on the basis of inadequate information and proof?

Honourable senators, I end with this final summation. Although this bill has been presented to us as an instrument for greater clarification and strengthening of present anti-combines legislation—and true in many of its amendments the bill does not make beneficial changes—I believe that its principal result will be a blunting and a dilution of the effectiveness of this very important instrument to prevent restrictive or anti-competitive practices, especially through changes found in clauses 13 and 14. Because of my conviction that this basic and undesirable result would follow the acceptance of Bill C-58 in its present form, I would be remiss in my responsibilities if I did not voice my vigorous criticism of the bill's weaknesses. I need hardly repeat that I am unable to support it in its present though amended form. Thank you, honourable senators, for your patience.

The Hon. the Speaker: Honourable senators, the question is on the motion of the Honourable Senator Choquette, seconded by the Honourable Senator Higgins, that this bill be now read a second time. Is it your pleasure to adopt the motion?

Hon. Mr. Macdonald: On division.

Motion agreed to and bill read second time, on division.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Aseltine, for Hon. Mr. Choquette, bill referred to Standing Committee on Banking and Commerce.

BANKING AND COMMERCE COMMITTEE

NOTICE OF MEETING

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, I understand that the chairman of the Standing Committee on Banking and Commerce (Hon. Mr. Hayden) wishes to hold a meeting of his committee tomorrow morning at 10 o'clock.

Hon. Mr. Macdonald: The honourable chairman informed me he could not hold it at 10 o'clock. I suggest we meet at 11 o'clock.

Hon. Mr. Aseltine: I presume the notices will be sent out but it will be either 10 or 10.30, according to the notice.

Hon. Mr. Macdonald: Or 11 o'clock.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Wednesday, August 3, 1960

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

Prayers.

COMBINES INVESTIGATION BILL

AUTHORITY TO PRINT COMMITTEE PROCEEDINGS

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, presented the following report from the committee on Bill C-58, to amend the Combines Investigation Act and the Criminal Code:

Your committee recommend that authority be granted for the printing of 800 copies in English and 200 copies in French of their proceedings on the said bill.

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

Hon. Mr. Hayden: With leave of the Senate, I move that the report be adopted now.

Report adopted.

CIVIL SERVICE

METHOD OF RELATING SALARIES TO RATES PAID BY OTHER EMPLOYERS

Hon. William R. Brunt: Honourable senators, before the Orders of the Day are proceeded with there is a matter to which I should like to refer. On July 21 last, when I was presenting a report of the Standing Committee on Internal Economy and Contingent Accounts recommending salary increases for certain classes of employees of the Senate, the honourable senator from Ottawa (Hon. Mr. Lambert) directed the following inquiry to me:

Would my honourable friend explain what steps are taken by the commission to relate these salaries and increases to similar positions in the business world?

By "commission" the honourable senator meant the Civil Service Commission. At the time I advised him that I did not have this information but would make an inquiry of the commission. I did this and I have now received from the commission a general memorandum in answer to the honourable senator's question.

Hon. Mr. Croll: Will you read it?

Hon. Mr. Brunt: The memorandum is two pages long. I ask leave of the Senate to have it printed as an appendix to *Hansard.*

Hon. Senators: Agreed.

For memorandum, see appendix to today's Hansard, *p. 1194.*

INTERNATIONAL TRADE

DESIRABILITY OF RECIPROCAL AGREEMENTS WITH TWENTY-NATION GROUP—DEBATE CONCLUDED

The Senate resumed from Thursday, July 21, the adjourned debate introduced by Hon. Mr. Robertson, who drew to the attention of the Senate:

1. The desirability of Canada's entering into reciprocal trade agreements with the countries of the Twenty-Nation group who are presently examining ways and means of achieving closer economic co-operation, and in particular with the U.S.A., and the two European trade blocs, the Inner Six and the Outer Seven, for the progressive removal over a period of years of trade obstructions in order that our ability to trade profitably will be maintained and increased through

(a) the progressive reduction of our costs of living and production; and

(b) the progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

2. That by becoming closely associated economically with their 500 million peoples, we will remove the tragic possibility of Canada's becoming isolated from the great modern currents of trade and commerce. By our precept and example we will contribute to removing the possibility of a trade war developing between the two sides of the Atlantic, a development that the Soviet Union fervently hopes for and which might well enable the communist world to accomplish economically what they have failed to do militarily.

Hon. A. Neil McLean: Honourable senators, I wish to sincerely compliment the honourable senator from Shelburne (Hon. Mr. Robertson) for calling the attention of this honourable body to world trade conditions as they affect Canada. The honourable senator gave us one of the most excellent addresses on this subject that I have listened to in this chamber for a long time, and I fully realize what a lot of time and study it took to prepare such a fine and informative address. I regret I did not have an opportunity to speak in this debate previously.

The honourable senator from Shelburne several times called attention to the European economic organization of the Inner Six and the Outer Seven nations of Europe which have declared war, so to speak, on economic trade barriers among themselves and are putting their ideas into action. Only last Friday Chancellor Adenauer of Germany met with President Charles de Gaulle of France and gave his blessing to a European cabinet to co-ordinate the policies of France, West Germany and the other four members of the Common Market of Europe with a combined population of 165 million people

—nearly as large as the population of the United States—and with steadily increasing purchasing power. The idea seems to be to form the United States of Europe, and it may quite well be that Canada, if nothing is done, will simply be on the outside looking in over formidable trade bars.

One part of the honourable senator's proposal attracted my special attention. That is paragraph (b):

> The progressive reduction of specific obstacles to our exports that may presently exist, and to guard against the creation of new ones.

To this I think we can all fully agree. We all know international trade is a two-way street, but such trade must be on an equitable and mutually profitable basis to achieve full success. To place a penalty on exports and a premium on imports—and that is what Canada has been doing the last few years—means exports are curtailed and imports encouraged and thus we create increased unemployment at home and an increased deficit trade balance with foreign nations abroad. It is elementary that there can be no other answer when such policies are pursued. As our deficit trade balance increases, so will unemployment.

Last year, as we know, the premium on the Canadian dollar, chiefly caused by the heavy borrowing of funds in New York—several hundred millions a year—rose to over 5 per cent, which cost Canadian exporters $250 million.

The honourable senator from Shelburne mentioned in his speech that manufacturing costs are higher in Canada than in the United States. Of course they would be, owing to our financial policy. Exporters had to pay 1 per cent more for carrying inventories than their competitors in the U.S.A. did, and also had to pay 5 per cent exchange, which adds up to 6 per cent. During the early part of this year strong representations against this obnoxious premium on the Canadian dollar were made to the Department of Finance by the Canadian Exporters' Association, the Canadian Fisheries Council, the Canadian Manufacturers' Association and the Canadian Chamber of Commerce. The Department of Finance gave a very sympathetic ear and stated the premium was a worry, but it would take a considerable amount of the taxpayers' money to get rid of the undesirable premium; however, it promised to do whatever it could to alleviate it. So when the budget was brought down in another place in April the Minister of Finance made a very statesmanlike statement that the borrowings of the federal Government in the domestic money market would be reduced to a near minimum this year, thus leaving the way open for the governments on the lower level, such as provincial governments, municipalities, etc., to borrow much more freely in Canada instead of borrowing so many hundreds of millions in New York annually, which, as stated, had been the chief factor in driving our dollar to a very substantial premium. This statement was extremely well received by these governments on the lower level, also very favourably by business and industry. Speculators in Canadian dollars, and there were many, took the hint and sold their holdings of Canadian dollars and got out of the exchange market, as they were quick to realize that the demand for Canadian dollars on the New York Exchange market to satisfy Canadian loans would logically decrease the dollar premium very substantially, if not wipe it out. Now every point the dollar premium goes up costs exporters of the country $50 million on a per annum basis.

Subsequent to the minister's budget statement the Canadian dollar premium declined steadily in New York from April onward until it reached 1 per cent. It did not fluctuate; the trend was steadily downward, which trend was a great assistance to the international trade of Canada. Then suddenly, without any known sensible reason, as far as I can see, the Bank of Canada withdrew over $100 million from our gold reserve, which is really a collateral for our paper money and foreign debt, and spent this large withdrawal in the exchange market to buy up Canadian dollars at a time the Canadian dollar needed no support, as it had not even gone to par. The result of this uncalled-for action by the Bank of Canada, was that the premium on our dollar was driven up to over 2¼ per cent. Whether the Bank of Canada made or lost money in the exchange market in connection with this mysterious transaction, I do not know, but I do know it has cost the exporters of Canada between $8 and $9 million to date.

Earlier this year the figures showed the Bank of Canada had some $800 million in American funds on hand, convertible into gold, which when the premium on our dollar was 5 per cent showed a paper loss of $40 million, depending of course on what the bank paid for the American funds, so in selling a hundred million of American funds for Canadian dollars our dollar was around 101 or thereabouts. The bank may have got out of the transaction fairly well, but why should the export trade of the country have to sacrifice several million dollars on account of this fantastic transaction? The Bank of Canada neither toils nor spins, as far as real wealth is concerned—it lives off the taxpayer; whereas exporters produce real wealth from our land, sea and forests.

On the editorial page of the Toronto *Globe and Mail* of July 6 the editor states that an article published in the paper on July 2, taken from a letter written by the *Société Génerale,* a highly respected French bank established in Paris in 1864, criticized this transaction of the Bank of Canada, and the article was described by our federal Department of Finance as misleading propaganda based on total ignorance of Canada. Well, investors throughout the free world will decide who is right. For my part, I have no hesitation in stating that the severe criticism by the well-known French bank and the *Globe and Mail* of this very unwise transaction in the exchange market by the Bank of Canada was more than justified.

Our national reserve which is, as stated, the collateral behind our money and foreign debt, was raided or depleted by over $100 million at a time when our foreign obligations were increasing by the billion, and the 100 million Canadian dollars which were bought to support and drive the premium on our dollar upward were conveniently transferred to the consolidated fund of the Government. This amount could, of course, be spent to cover deficits or pay current expenses, which would be straight inflation, as the money in the reserve fund is dormant and not in circulation, being held for emergencies, but when transferred out of the fund in this roundabout way and spent for current needs there would be no new production or services to offset such new purchasing power.

I might say that during the period in May when the Bank of Canada started manipulating the exchange market our dollar was receiving substantial support from some loans being raised in United States dollars and by a special flow of European investments. In the opinion of high monetary authorities in Europe, had this official support not been given by the Bank of Canada our dollar would have gone to par, which has been officially recognized as a desirable national objective, for a non-premium dollar is absolutely essential to our international trade. It has been stated by our federal financial authorities that a great deal of the taxpayers' money would be needed to keep our dollar at par. This statement is certainly inconsistent, for now we see a huge sum of the taxpayers' money used to stop a natural trend of our dollar down to the par level. The use of the taxpayers' money in this senseless way is absolutely detrimental to the international trade of Canada. And it can be well said, as some of our international financial critics have pointed out, that Canada has inadequate reserves of gold, or money convertible into gold, to continue using our gold reserves to support a natural declining dollar. There is an obvious risk that foreign investors may take a serious view of such a situation.

Some weeks ago the federal Finance Minister was asked about reports that the Bank of Canada operated in the foreign exchange market to support a natural drop in the premium on our dollar as compared to American dollars. He was quoted in the Toronto *Globe and Mail* of July 6 last as stating that the national stabilization fund, which I might say is part of the reserve fund, merely had operated in a normal way to reduce fluctuations from day to day in the value of our dollar. This argument hardly holds water. Anyone who will look up the word "fluctuation" in the dictionary will find it means a going up and down. This was not the case at all when the Bank of Canada took action. The dollar was going steadily downward on its way to par and there was no excuse as regard fluctuations for the Bank of Canada to tap our needed national reserves and throw over $100 million of our taxpayers' money heedlessly in the exchange market to reverse a natural downward trend which was so desirable to our foreign trade.

I have long been interested in greater development of international trade between all nations. Unnecessary impediments that hold up such trade are out of place in these days, as foreign markets for a country like Canada are hard to get and very competitive.

At the meeting on Tuesday of last week of the Dominion-Provincial Conference, Finance Minister Fleming stated it was the desire of the Government to lower the premium on our dollar, also to see lower interest rates, and I know he was entirely sincere in this statement.

A few days ago I made the following inquiry in this house:

1. What was the net amount of American funds sold by the Exchange Stabilization Fund during the month of May 1960?

I received the following answer:

$101,500,000.

My inquiry contained two other questions which were answered very unintelligently. They were:

2. What were the reasons for the sale?

3. What were the effects of this sale on the premium of the Canadian dollar?

I received the following reply, which came from the Department of Finance:

2 and 3. The operations with respect to the Foreign Exchange Control Fund which have been carried on recently were completely in accord with the method of operation carried on by the Bank of Canada on behalf of the Minister of Finance ever since this Government came into

office, and prior to that time by the former Government. There was no change in policy or in the basis of operation. These were simply normal operations carried out with a view to reducing the fluctuation in the exchange rate from day to day.

As you will all realize, this reply evades my questions, which I asked in good faith, as I know it is in the public interest that the light of day be thrown on this mysterious, secretive and very questionable exchange transaction of the Bank of Canada. This unintelligent reply smacks of ivory tower practices by people who seem to have the idea they should rule the economy of our country by divine right with little or no regard for the representatives of the people.

The transaction I have discussed and questioned reminds me of what might be labelled "frenzied finance," as it ended up in a substantial loss to our national monetary reserves. In sound finance our national reserves should be closely related proportionately to our fast-rising financial obligations abroad instead of being needlessly weakened for no good purpose.

Debate concluded.

BANKING AND COMMERCE COMMITTEE

NOTICE OF MEETING

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators, before moving the adjournment of the house I would like to announce that the Standing Committee on Banking and Commerce is to sit immediately after the house rises for further consideration of Bill C-58, to amend the Combines Investigation Act and the Criminal Code. It is probable that the committee will meet this evening as well.

HON. NORMAN McL. PATERSON

BIRTHDAY FELICITATIONS

Hon. Mr. Hayden: Honourable senators, before the Senate adjourns may I call attention to the fact that one of our colleagues, the honourable senator from Thunder Bay (Hon. Mr. Paterson) is celebrating a birthday today? I should like to take this opportunity to wish him a happy birthday.

Hon. Mr. Paterson: Thank you.

The Senate adjourned until tomorrow at 3 p.m.

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APPENDIX

(*See p. 1190*)

CIVIL SERVICE

MEMORANDUM FROM CIVIL SERVICE COMMISSION IN REPLY TO INQUIRY BY HON. MR. LAMBERT RE METHOD OF RELATING CIVIL SERVICE SALARIES TO RATES PAID BY OTHER EMPLOYERS

The Civil Service Commission, in recommending salary rates for Civil Service classes, is guided by three basic principles:

1. Salaries in the service should be comparable to salaries paid by outside employers for similar work;
2. Salaries in the service should be such as to attract the right kind of men and women to the service and to keep them in it; and
3. Salaries for the various classes of employment in the service should bear appropriate relationships one to the other.

The first of these three principles is regarded as the key principle in arriving at salary recommendations. The commission compares Civil Service rates of pay with those rates paid on the outside for similar work. Information on outside rates is obtained through the commission's Pay Research Bureau.

There are, naturally, a limited number of Civil Service classes which can be directly compared with occupational classes found outside the service. These classes are carefully described in terms of characteristic duties, required qualifications, hours of work, and other working conditions. Clerks, Stenographers, Typists, Telephone Operators, Duplicating Equipment Operators, Cleaning Service Men, Watchmen, Storemen, Maintenance Craftsmen, Draftsmen, Engineers, Chemists, Economists, Auditors, Geologists, Hospital Nurses are examples of the Civil Service classes which afford comparison with occupations commonly found outside the service.

In its surveys the Pay Research Bureau obtains from a selected group of outside establishments a list of the actual rates paid to employees in each class the described duties and qualifications of which match reasonably well with similar classes in the service. The establishments surveyed are selected with a view to achieving a cross section representative of the various industries and regions of Canada. Accordingly, the rates reported by the Pay Research Bureau include rates from all provinces and most of the industries in which conditions of employment are reasonably comparable. The industries represented in the bureau's surveys include banks, insurance companies, municipal services, railways, public utilities, telephone companies, printers and publishers, retail trade, food processing companies, manufactures of automobile equipment, steel and iron, electrical appliances, chemicals, petroleum and oil products.

The data on rates of pay, together with relevant information concerning conditions of employment, are then carefully examined by the commission with a view to arriving at a rate that is representative of outside rates, taking into account any significant differences in conditions of employment between the service and outside establishments.

Before arriving at its actual recommendation for particular classes, the commission examines the relative internal values of the classes concerned and considers the possible consequences of any changes in salary relationships. Account is also taken of the commission's recruiting experience and of the number of separations from the service in particular classes. The process described above relates to Civil Service classes which have counterparts in the business world. For salary survey purposes such classes are called "key" classes. Although there are relatively few "key" classes, a large proportion of the total Civil Service population is found in them. Salary rates for the large number of remaining classes must be reached by relating them to the rates found appropriate for the "key" classes. For example, the salary range for a class characterized by the same level of skill, and the same working conditions, as a "key" class will be set at the same level as the salary range for the "key" class. Differences in levels of skill and responsibility and in working conditions are evaluated and translated into appropriately higher or lower salary ranges.

Civil Service Commission of Canada
August 1960.

THE SENATE

Thursday, August 4, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Copy of Order in Council P.C. 1960-1047, dated 2nd August 1960, appointing Mr. Vincent Wheeler Bladen, of Toronto, Ontario, a Commissioner under Part 1 of the Inquiries Act, Chapter 154, R.S. 1952, to inquire into and report upon the situation of, and prospects for, the industries in Canada producing motor vehicles and parts therefor.

JUDGES BILL

REPORT OF COMMITTEE

Hon. Salter A. Hayden, Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-78, to amend the Judges Act, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

Hon. John M. MacDonald moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

COMBINES INVESTIGATION BILL

REPORT OF COMMITTEE

Hon. Mr. Hayden reported that the Standing Committee on Banking and Commerce had considered Bill C-58, to amend the Combines Investigation Act and the Criminal Code, and had directed him to report the same to the Senate without amendment.

Report adopted.

THIRD READING

Hon. Lionel Choquette moved the third reading of the bill.

Hon. Mr. Hayden: Honourable senators, before the bill is read the third time I should like to say a few words, in view of the fact that on the motion for second reading I raised certain points and voiced certain criticism of some provisions of the bill.

Since that time we have had a very full hearing in committee. What might be called contentious sections, which in the other place had provoked considerable debate and controversy, were dealt with in a very large way in the course of our committee discussion. Those sections were stood in the first instance and gathered together, and the Minister of Justice was invited to attend and answer questions concerning them, which he did.

I should tell you that during the course of the hearing in committee there were motions directed toward the changing or elimination of some provisions of the bill, and votes were taken.

In the course of the debate on second reading I raised certain questions. I would not want honourable senators to get a notion that I raise questions and then do not try to be satisfied on the points raised, or that if I do accept what the bill contains with reservations I do not state them. Let me state my reservations now. I said on second reading that to a very substantial extent the bill was a meaningless sort of thing, contributing little if anything to the general law in relation to combines. I did say that one very meritorious provision in the bill was that for enjoining combinations in restraint of trade without the necessity of first instituting a prosecution. I did discuss the extension of the jurisdiction to prosecute in criminal cases, and also to refer applications for injunction to the Exchequer Court of Canada. On this second point I expressed some concern, having regard to the British North America Act and the authority under which the federal Parliament could act.

In committee we had an opportunity for full discussion and the views of the minister were expressed to us in that regard. There can be no question about the authority of the federal Parliament to create additional courts for the better administration of the laws of Canada. I suppose, in one sense, if you provide additional facilities for the hearing of cases it might be said that those additional facilities do or may have the effect of contributing to the better administration of the laws of Canada. Therefore, I press that question no further.

I raised several other points in the Senate. One had to do with the provision in relation to exports; another had to do with the provision in relation to loss-leaders, and still another had to do with promotional allowances.

The loss-leader provision, section 14 in the bill, is one which provoked considerable discussion and led to the proposed elimination of the section. We were told in committee by the minister that this section provided for conditions under which a manufacturer who is charged with a violation of the prohibition against resale price maintenance might have a defence if he raised the question of the

conduct of the retailer in practising loss-leader selling. The minister stated, in answer to a question which I raised, and which was subsequently asked by other honourable senators, that this so-called defence added nothing new to the law, that even if section 14 were not there and these conditions were absent from any combines legislation there still would be available to a manufacturer so charged the right to raise as a matter of law, and as an answer to the charge, those things which are set out in section 14 as conditions under which he might give a complete answer to a prosecution for refusing to sell to a retailer on the basis that the retailer had refused to maintain prices.

In connection with the provision in relation to exports, after hearing all the evidence, including that given by the minister, I think the conclusion must be that, quite apart from anything in this bill, the general law of Canada provides that in export trade manufacturers may combine if they conduct themselves in such a way that they are operating only in the export field and are not affecting unduly the domestic market or interfering unduly with the desire or right of any other person who wants to get into the export business. We were satisfied, and the minister agreed, that within those limitations one did not need this provision in the Combines Investigation Act in order to combine with other manufacturers or producers for the purpose of setting prices and terms in dealing with export markets.

In the light of that situation I think my statement to this house on second reading is reinforced. It seems to me there should be some limit to what are called clarifications. These may be considered as clarifications of the existing law or of the codifying of the existing law, although I do not think I can call it a codifying because that would be collecting in one basket all the law, but the anomaly here is that even though certain so-called defences are set out as being available under these sections dealing particularly with loss-leaders, it is not exhaustive of the rights of defence which constitute an answer to a charge of violating the resale price maintenance section. Any defence which constitutes an answer is available to you whether it is included in the list of qualifications or conditions that are set up in section 14 or not. That was thoroughly discussed this morning, and in the opinion of the Minister of Justice that is correct.

I feel that in substance I was justified in saying that much of this bill is of the character of consequential amendments by reason of moving sections 411 and 412 of the Criminal Code into the Combines Investigation Act. These so-called clarifications, which add nothing to the substantive law in relation to combines, comprise three-quarters or more of the bill. The meritorious substantial things in the bill are the ones in relation to injunctions, to which I referred, and possibly the provision for additional facilities for the trial of charges which are laid against persons for violating the Combines Investigation Act. I have been trying to assess in my own mind, therefore, whether or not I was wrong in describing the bill as meaningless and saying that what had really been set up was a show window full of poor or dummy merchandise in a form which looks attractive. I still have that feeling in regard to the legislation. The only thing I can say is that in clarifications such as you have in relation to section 14 on loss-leaders it is possible, in stating defences under subsection (2) of the new section 32 in answer to a charge of combining to lessen competition, that these provisions may enable those who are concerned with the application of the act, from the point of view of possibly being investigated, to delimit more clearly the extent of the area within which they might operate without stepping over the boundary line and becoming subject to a charge for violation of the act. Another way of saying it is that the clarifications, while they add nothing to the law, may be ameliorating to those people who feel that they ordinarily live *in terrorem* of the Combines Investigation Act. They may feel that they could move one foot forward slightly more with some assurance more or less that in that movement they are not stepping over the boundary line, whereas up to the present time there has been an absence of any indication of what are the definite and emphatic limits beyond which they could not move.

Be that as it may, the work of the committee is done. As far as I am concerned, I have had my day in court at this stage of the matter. I still feel that we dealt with it properly on second reading, the honourable senator from Inkerman (Hon. Mr. Hugessen) and myself, in pointing out the situations under the bill and in being provocative for the purpose of getting a complete and full understanding. And I will say this, that from the indications we had in committee there certainly appeared to be a full and complete understanding of the scope and effect of the bill. All of which is to the good. I only hope that the administration, with the additional provisions which are in this bill, will keep the picture of the main purpose of combines legislation fully before them so that there will not be encroachments on the outer rim of the picture that might have the effect of delimiting the scope of their investigatory powers, and that they will still bear in mind

that the real purpose of combines legislation is to prevent the things which are prescribed under the act, and that these clarifications are not a signal or invitation for those who might otherwise feel in terror of taking certain steps that they can now more freely take them. I hope the alertness of the administration will remain and persist with due regard to the rights of the general public which is carrying on operations that may in some way or another bring it within the scope of this legislation.

The Hon. the Speaker: Honourable senators, it has been moved by the Honourable Senator Choquette, seconded by the Honourable Senator Paterson, that this bill be read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Macdonald: On division.

Motion agreed to and bill read third time and passed, on division.

INTERNAL ECONOMY

REPORT OF COMMITTEE RECOMMENDING INSTALLATION OF SIMULTANEOUS TRANSLATION SYSTEM IN SENATE CHAMBER ADOPTED

The Senate proceeded to consideration of the fifteenth report of the Standing Committee on Internal Economy and Contingent Accounts.

Hon. William R. Brunt moved that the report be adopted.

He said: Honourable senators, the fifteenth report of the Standing Committee on Internal Economy and Contingent Accounts recommends installation of a simultaneous translation system in the Senate chamber. This system has been installed in the chamber of the other place for some time. When the matter was referred to this committee a special subcommittee was set up, composed of His Honour the Speaker, the Honourable Senator Drouin, and the Honourable Senators Veniot, Wall, Méthot and myself, Our Speaker, Senator Drouin, was chairman of the subcommittee and Senator Wall was the secretary. A number of meetings were held, and a great deal of work was done in obtaining all the necessary data and information required with respect to the installation of an efficient and proper system in this chamber. The chairman of the subcommittee, His Honour the Speaker, is the person best qualified to make to this honourable body a full report as to what the Committee on Internal Economy and Contingent Accounts has agreed upon. I am not going to say more, but will let him give us his report on this matter.

The Hon. the Speaker (Hon. Mr. Drouin), left the Chair.

Hon. Lionel Choquette in the Chair.

Hon. Mark R. Drouin: Honourable senators, I think I will take my gloves off. I must say that from where I stand now you seem much more formidable than when I am sitting in the Chair, from which I can talk *ex cathedra* —and you haven't too much to say about it. I know I am exposing myself but, this being my first venture down here on the floor, I know that honourable senators will be indulgent.

As the honourable Deputy Leader of the Government (Hon. Mr. Brunt) has told you, I was appointed chairman of the subcommittee to decide, first, whether the installation of a system of simultaneous translation in this chamber would be advisable. I must say that at the very first meeting of this subcommittee, on the 25th of May, we were unanimous in deciding that it was certainly advisable to have a simultaneous translation system in this chamber just as there is in the other place.

First of all, we considered that it is a question of principle. Canada is a bilingual country where everything else is translated and we could not see why in this chamber, where the law originates in many instances, or where it finishes in other instances, a simultaneous translation system should not be installed and made available to all honourable senators. It took just one meeting to reach unanimity on that first term of reference, and I trust that honourable senators will agree with your subcommittee.

The second question we were asked to decide was whether such an installation in this beautiful chamber of ours would somewhat mar it or disfigure it or cause it to lose some of its aesthetic beauty. This point we were not competent to judge, although we think we are men of some taste, so we consulted engineers from the Bell Telephone Company and the Northern Electric Company. Our main consultations were with Mr. Gardner, of the Department of Public Works, whom I consider to be not only a most competent architect but also quite an artist. We had, I believe, three meetings with him. He was positive that his department could do a wonderful job in blending the woodwork of the two booths that would be necessary for the interpreters into the general appearance of the chamber and the anteroom without in any way disfiguring our chamber, and he came to the conclusion that the best place to instal the booths would be in the south corner of our anteroom.

The wood to be used and the carvings to be made would be exactly the same as the

wood and the carving in the antechamber and in this chamber. He was sure we could benefit by the experiences of the other house. He said he could improve on the soundproofing and ventilation of the booths. He told me that I could assure honourable senators that the system would not in any way mar the appearance of the chamber or the antechamber or deprive us of any space to speak of. The booths might come in the line of vision of two or three guests at the opening of Parliament, those seated in the two south corners; but, as honourable senators know, at the openings of Parliament the Commons are summoned and during an important part of the ceremony members from that house are standing behind the bar and they obstruct the view of guests seated in the anteroom.

In Mr. Gardner's opinion a good job can be done. Accessibility of the booths for the interpreters would be perfect in the anteroom, and that is where he recommends that we instal them.

We then went into the cost of such an installation, which was the third term of reference, and I must say that we were rather pleased and surprised to learn that the cost of installation would not exceed $1,000. We consulted with Mr. Daviault of the Bureau of Translations, who told us we would need only three translators whereas in the House of Commons they have seven; therefore the interpretation organization would cost us only three-sevenths of what it actually costs the House of Commons. These three interpreters whom we would use would not be solely employed on the work they would do here. They also would be used in the House of Commons and as translators in Mr. Daviault's Bureau for Translations. So when not occupied here their time would not be wasted. As a matter of fact, the honourable junior senator from Winnipeg (Hon. Mr. Wall) and myself estimated that they would be working about 15 to 18 hours a week in the Senate and the rest of the time, about 18 hours or 20 hours, they would be working for Mr. Daviault doing translation for the bureau, which I understand needs extra help anyway. Their salaries are generally around $6,000 to $7,000 a year. So you have a good idea of what the installation would cost.

We got in touch with the Bell Telephone Company.. At first they were not overeager to accept this work, but they said that if the Senate expressed a desire for them to do the job they would do it. It is a matter of policy for them now not to go into intercommunication installations. That apparently is not a business that they should be in and they decided they would not do any more of it. But considering that the amplifying system here was installed by them and that both systems would have to be technically integrated they decided to do the job if honourable senators decided it should be done.

There is not much to add. We all feel that it is very important to have a translation system here. I personally think we should instal one.

In Parliament it is not a matter of making speeches, then relaxing and awaiting a translation two or three days later and then responding by another speech. We are debaters, and the debate is much more effective, and much more expeditious if we can understand one another, here, right away, while the speeches are being made and the debate is going on.

Honourable senators, in all justice to both languages and the bilingual character of this country, and as chairman of your subcommittee, I think that we should have simultaneous translation in this chamber.

Hon. Mr. Brunt: May I suggest, Mr. Speaker, that you advise the members of this chamber as to the amount of the monthly rental. I think you have overlooked this.

The Hon. the Speaker: Yes. Honourable senators, I must tell you that the cost for the operation of this translation system would be $300 per month, payable to the Bell Telephone Company, on a rental basis and generally on a five-year contract. The rental agreement is made between the Bell Telephone Company and the Public Works Department. That would be the charge during the session. During the recess the monthly charge would be half of that amount, namely $150 per month. So if we sat seven months the rental charge would be $2,100, and during the remaining five months of recess the monthly rental charge would be $150. I believe that the cost of installation and rental to be paid by the Government to the Bell Telephone Company for the facility of simultaneous translation is very small indeed considering the advantages which would be derived from such a system.

(Translation):

Hon. W. Ross Macdonald: Honourable senators, I myself will try to speak French. My first words will be to congratulate the Speaker upon his maiden speech in the Senate.

(Text):

Honourable senators, I have just congratulated His Honour the Speaker on his maiden speech in the Senate. Although we miss him in the Chair, we believe that he adds greatly to the debates by sitting among us. I assure him, however, we do not want to lose him as our Speaker.

I am quite in accordance with the proposal of the committee that we instal a simultaneous translation system, and I voted for it in committee. There have been some excellent speeches made in this chamber in the French language, most of which the English-speaking senators could not follow. I am fortunate enough to understand sufficient French to follow discourses in that language, but I do so with a great deal of difficulty and I miss a considerable amount of the substance. I hope that when the system is installed I shall, by listening more frequently to French, become able to follow the speakers in that language with greater facility.

I have one concern about the installation of this system. It will make it so easy for us to understand honourable senators speaking in the French language that we will not bother to learn that language. I warn my colleagues of the temptation to follow the easier course. On the other hand, for those of us who are interested in learning the second language, it will afford us an opportunity of hearing translations every day. That I think will be all to the good. After all, this is a bilingual country, and in Parliament the two languages are equal. Therefore, we should be able to follow the remarks of a speaker in either of the official languages. But I repeat my warning to my English-speaking colleagues against the attitude that it will no longer be necessary for us to try to comprehend a speaker in the French language.

And let me say to my French-speaking compatriots, I hope you will not give up the use of your excellent knowledge of the English language. It is most noticeable that French-speaking senators who come to this house quickly acquire a knowledge of the English language sufficient to carry on an ordinary conversation, and practically all of them quickly become sufficiently competent to make speeches in English. I wish I could commend my English-speaking compatriots for a similar zeal in learning the French language.

Honourable senators, I hope the installation of the simultaneous translation system will result in our better knowledge of both languages and contribute toward making Canada a truly bilingual country.

Hon. R. B. Horner: Honourable senators, with all due respect to His Honour the Speaker, I think I should say that I disapprove of this proposal, which I opposed when it was before the Internal Economy Committee. I disagree with what His Honour the Speaker stated to the effect that the mechanical installation of the system would not disfigure the chamber. If the installation involves having a gadget hanging from the ceiling in this chamber, as in the other house, it will certainly have a disfiguring effect.

The members of the House of Commons attend at the bar of this house on only a few occasions and few or no members of the public attend such ceremonies as the swearing in of new senators.

As the honourable Leader of the Opposition (Hon. Mr. Macdonald) has said, we enjoy hearing French-speaking senators express themselves in the English language. I only regret that I cannot do as well in their language.

The information I get about the experience of the members of the House of Commons with simultaneous translation is that they are not entirely satisfied with it. It is believed that the system has retarded the progress of young English-speaking members in gaining a knowledge of the French language. I have been greatly impressed with the rapid progress French-speaking senators make in their grasp of the English language after they come to this chamber.

Honourable senators, I have one further thought in this matter. I think we get carried away with the idea that we in the Senate must have everything the House of Commons has. Now it is proposed that we engage three expert translators for this new system. Indeed, these men have to be experts, or the translation will be only a hop-skip-and-jump affair—I have had some experience in this respect—and you finally give up and take the gadget off your ear.

To return to my thought as to our needs in this chamber differing from those of the House of Commons, may I add that the members of that house are elected and they may seek re-election. Therefore, every member must be alert as to everything that is going on there. We in this chamber are not in that position. I think I am safe in saying that we have plenty of time to wait for a printed translation of a French speech. It is of no great importance that we be able to answer immediately what has been said in the other language.

Honourable senators, I feel that this installation in the Senate is an unnecessary expense and will not benefit anyone a great deal. Furthermore, I am satisfied that it will disfigure this chamber.

Hon. David A. Croll: Honourable senators, I support this proposal, first on the basis of principle and, secondly, after hearing my honourable leader (Hon. Mr. Macdonald) speak French, I want a translation quickly.

The real reason for my rising at this time is that yesterday an amendment to the Bill of Rights was adopted in the other house providing that it is a fundamental right of the citizen to have an interpreter. At

the moment that may not seem to be a fundamental right, but on reflection one must agree it is a very necessary right in this country. It is gratifying to know, even before that bill reaches this house, that the facilities for carrying out one of its provisions will already be here.

Hon. William M. Wall: Honourable senators, since it was my privilege to work with four of our honourable colleagues in trying to adjudicate this problem, and having consulted with the experts who have given freely of their time and technical advice, I feel I must associate myself with the thoughts and ideas expressed by the chairman of our committee, His Honour the Speaker, concerning the general desirability and advisability of installing in this chamber a simultaneous translation system. Although I recognize the import of the statement made by the honourable senator from Blaine Lake (Hon. Mr. Horner) that there is a considerable difference in the functions of the two chambers, I believe I am sound in my thinking that in a very practical way the simultaneous translation system will give equitable treatment to the two official languages of Parliament in this chamber.

The honourable gentleman from Blaine Lake suggested there might be some disfigurement of the chamber as a result of the installation of this system. May I assure the house that this possibility was uppermost in our minds. So that honourable senators may understand better what is to be done, I may say it is proposed that two translation booths be installed in the antechamber and that the only evidence of them in this chamber will be a window behind which the translators will sit.

The members of the committee actually sat in the spot designated for the translation booths to determine how many people would in any way have their vision obstructed if the screens at the end of the chamber were down while guests were here on some special occasion. Our estimate was half a dozen people at the most.

The problem concerning the staff of translators weighed rather heavily with us because we realized they would not be actually engaged in translating in this chamber for many hours during the week. We feel we worked out a satisfactory arrangement whereby there would be a pooling of translators so that when they are not engaged nere they will be at work in the other chamber or in the Bureau for Translations. Therefore, the translation costs which will directly fall upon this chamber will be relatively small. Certainly the installation of the system at a cost of $1,000 and the monthly rental seemed to be reasonable. I heartily support this move.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, I believe it fitting that a French-speaking senator, a Canadian like all of you, should say a word in this connection.

I am one of those who have most insisted on the installation of a simultaneous interpretation system in the interest of justice; the action taken by the committee is not only a matter of courtesy and good will, but it is also a matter of justice, and I wish to thank the members, and especially His Honour the Speaker.

(Text):

Honourable senators, I cannot agree with the comments made by the honourable senator from Blaine Lake (Hon. Mr. Horner), particularly with reference to the installation of translation booths. Later today or perhaps tomorrow we shall be asked to give consideration to Bill C-79, for the recognition and protection of human rights and fundamental freedoms. I think we should address ourselves to a question of that magnitude before we argue over some trivial item such as installing a translation booth in the Senate chamber.

The honourable senator from Blaine Lake suggested that this system might hinder French-speaking senators from increasing their knowledge of the English language. Well, this argument works both ways and if it is bad for us then it is bad for our English-speaking confrères. I think we would be accomplishing much if we were to develop greater co-operation and exchange between the two official languages of this chamber.

Sometimes after I have delivered a speech in English some honourable member who is learning the French language will say, "I think it would have been better had you spoken in French." As honourable senators know, one cannot translate exactly into another language what he is thinking in his native language. I think it would be well to have a greater interchange of our two official languages.

(Translation):

Thank you, Mr. Chairman, for the good work you have done. I also want to thank the senator for Winnipeg (Hon. Mr. Wall) and all those who have helped in the implementation of this project. Thank you all in the name of my fellow citizens.

Hon. A. K. Hugessen: Honourable senators, as the English-speaking representative of my province, I deem it my duty, a very pleasant duty, to support this report enthusiastically.

Mr. Speaker, you have given us your report on the installation of the system of simultaneous translation in this house.

I believe, as do those who spoke before me, that a question of principle is involved. This is a bilingual country and each one of us is entitled to make his speeches in his mother tongue.

For my part, I am very fortunate, as I can understand my colleagues whether they speak French or English, but there are others who are not as fortunate as I.

The only thing I would like to add is this: when the simultaneous translation system is installed in this house, we will much oftener have the pleasure of hearing senators express themselves in the beautiful French language.

(Text):

Hon. John G. Higgins: Honourable senators, I trust that this translation system is not being instituted for the purpose of getting a number of English-speaking senators on their feet to speak French. I know that in every such case there must be a presumption that the member taking the floor knows what he is talking about, but there is no presumption that his French-speaking listeners understood what he is saying. Of course, there are some exceptions, but they are rare.

As to our French-speaking colleagues, they articulate perfectly. Strange to say, it seems to the rest of us that they speak in English far more slowly than in French, and they utter each word so clearly that we can follow them sometimes much better than English-speaking senators. Our French-speaking colleagues also seem to have a good choice of words. Their English is so well expressed that I think they improve our knowledge of the language. It would be very unfortunate if a high standard of expression in English were lost to us by reason of our French-speaking senators speaking only in French. I might say that, as a rule, there is a difference between the quality of the French spoken by English-speaking senators and the quality of the English spoken by French-speaking senators. That remark is like an axiom, the truth of which is so apparent as to be instantly admitted.

(Translation):

Hon. Vincent Dupuis: Honourable senators, the attitude of our good friend from Blaine Lake (Hon. Mr. Horner) reminds me of an incident which occurred at the Quebec Legislature in the days of Sir Lomer Gouin, the father of our distinguished senator from de Salaberry (Hon. Mr. Gouin). One of the members of the Legislative Assembly was a very good fellow, as far as character was concerned, but he had never gone further than the primary school. Well, one day, seeing that the debate was dragging on, at the end of the session, Sir Lomer Gouin introduced a bill one day ahead of schedule. The member in question was quite anxious to know why Sir Lomer had done that, because he wanted to speak on that bill. So he asked the Speaker why the honourable the Premier had introduced the bill one day ahead of its scheduled examination on the Orders of the day. Sir Lomer replier by quoting the following proverb: *"Si vis pacem, para bellum."* Failing to understand, the member asked his neighbour: "What is he saying?" Without a moment's hesitation, the neighbour gave him this rather dubious translation: "Si tu veux que ça passe, fais la belle".

Angered by that reply which was supposed to have been translated by his neighbour, the member protested vigorously against what, he felt, was an insult on the part of Sir Lomer Gouin. If he had had the benefit of a translation system such as the one which is now proposed, he would not have raised this storm in a tea cup.

(Text):

To demonstrate the importance of having a simultaneous translation system in this house, let me say this. If we had such a system and someone dared to attack the honourable senator from Blaine Lake (Hon. Mr. Horner), the honourable senator would not need to ask his neighbours what was said, for he would have an immediate translation of it by means of the system.

Honourable senators, as one who is a lover of freedom and justice for all races, and especially the two principal races of this country, I am all in favour of this new method of simultaneous translation, and I take this opportunity of paying my compliments to all those who succeeded in making the arrangements, particularly His Honour the Speaker.

(Translation):

Hon. Gustave Monette: Honourable senators, I consider it somewhat of a duty to say a few words, even if they are of no importance. The moment is well chosen and this is a glorious day!

Apparently, we have decided to install a simultaneous translation system in this house and everybody is happy about it.

(Text):

Everyone is pleased with the idea, and I think there is much to justify it.

May I say to the honourable senator from Blaine Lake (Hon. Mr. Horner) that the remarks he made are not without justification. Simultaneous translation may not provide a better opportunity than now exists for any member of this house to improve his knowledge of either the English or the French language. Instead of trying to follow a speech being made in other than our native language we shall be more likely to depend upon the translation. I do not think, therefore, that bilingualism will be improved by installation of the system in this house.

May I remind honourable senators that the Constitution permits the use of both languages in Parliament. Any honourable member is free to speak in either language or in both, and certainly there is a good opportunity for those who are not familiar with both languages to become so.

However, I think that simultaneous translation has a purpose superior to that of assisting members of Parliament to improve their knowledge of a language. The main function of Parliament is to deal with legislation, and therefore our first duty here is to understand what is said. When we say something that we consider to be important, we feel that we must express ourselves so that we can be clearly understood. If simultaneous translation will help French-speaking senators and English-speaking senators to understand more clearly what is being discussed, it will greatly increase the usefulness of our debates on legislation. The principal advantage of a simultaneous translation system is that it will make it possible for every senator to understand immediately what is being said in French or in English and enable him to respond immediately if he so desires. It will facilitate and increase the opportunity for any senator to speak in either language and thus will further the aims and functions of the Senate, as it does those of the House of Commons.

It is quite noticeable that some honourable senators are proficient in the two languages. His Honour the Speaker is one and the honourable Leader of the Opposition (Hon. Mr. Macdonald) is another, to mention only two. They can understand what is being said in either language. But once we have a simultaneous translation system, if at any time they do not feel disposed to follow a speech in the language in which it is being delivered they may tune in on the translation system and hear it in the other language. I am sure we were all edified by the example given us this afternoon by the honourable Leader of the Opposition. We are all aware of his ability to follow a speech in French, but after the installation of the translation system he may prefer to listen to French speeches translated into his own language through the translation system. However, there is nothing we can do about that.

I should say that the main reason why the decision of our committee must be approved is that the simultaneous translation will enable all legislators in this house to have a better understanding of subject-matters while they are being discussed and therefore to form an earlier and perhaps a sounder judgment than is possible under existing conditions.

(Translation):

Hon. Jean François Pouliot: Honourable senators, this goodwill discussion has the charm of solemnity, and I am very happy to add mine to the congratulations offered by those who spoke before me to the people who are responsible for the implementation of the project and who spoke so well this afternoon.

As to my collague from Blaine Lake (Hon. Mr. Horner), he enjoys the esteem and, I might say, the affection of all his collagues. If he sometimes differs with us—and it is deliberately that I speak French—it is only to express slight variations of opinion but on the whole he easily comes around to the general opinion held by his colleagues.

(Text):

Now, honourable colleagues, I will take this opportunity to tell you why I so often use the English language in this house. It is because my first experience in speaking here was saddening. The first words I spoke in this chamber were in French, but I had some difficulty in the reporting, so since then I have used mostly the English language when addressing you. I notice that there has been great progress in the reporting of French speeches and I give credit to whom it may concern. I hope that when we get a simultaneous translation system the necessity of having a correct French report of French speeches will be considered as important as it is and will not be overlooked.

Now, after commending everybody, starting with His Honour and all others who have spoken, and including our honourable colleagues of the English language who spoke French so well, may I add another suggestion? It was made by my honourable colleague from Toronto-Trinity (Hon. Mr. Roebuck) last year, and there was a little bit of criticism about it in the press, but he was right. He suggested that if we are to beautify this chamber we must remove these ugly pictures from the walls, as was suggested a long time ago—those sad, ugly pictures which in French we would call *chromos* and *croûtes* —and instead construct galleries around the chamber. I am sure that the simultaneous translation system will attract a larger number of people to the Senate, and I suggest there should be hearing aids all along the gallery to give them an opportunity to follow the debates.

Now, to conclude, I have one word to add: It is that the simultaneous translation system will be most useful when controversial issues happen to be brought before this chamber. Then, if someone speaks French and says something that does not satisfy the mind or the opinion of my honourable friend from

Blaine Lake (Hon. Mr. Horner) he will be in a position to answer him at once, in English.

The Hon. the Speaker: It is moved by the Honourable Senator Aseltine, seconded by the Honourable Senator Wall, that this report be now adopted.

Hon. Mr. Horner: On division.

Report adopted, on division.

CANADIAN BILL OF RIGHTS

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-79, an Act for the Recognition and Protection of Human Rights and Fundamental Freedoms.

Bill read first time.

SECOND READING

Hon. Gunnar S. Thorvaldson moved the second reading of the bill.

He said: Honourable senators, I deem it an honour and a privilege to introduce in this house what has so long been referred to as a Canadian Bill of Rights.

This bill deals with a subject-matter which, next to life itself, human beings of all ages have been concerned with, namely, the freedom of the spirit. Throughout recorded history, all effort at human progress has been associated with the magic word "liberty". This yearning of mankind for freedom has been immortalized in many famous phrases and writings in many languages, but by none more so than by the words of the famous patriot Patrick Henry, spoken in 1775, when he said:

> Is life so dear, or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God! I know not what course others may take, but as for me, give me liberty, or give me death!

So I repeat, honourable senators, I deem it an honour and a privilege to introduce this bill in the Senate of Canada.

As honourable senators will have observed, the full title of Bill C-79 is "An Act for the Recognition and Protection of Human Rights and Fundamental Freedoms", and is more briefly cited as the Canadian Bill of Rights. As you are also aware, the principle of the bill received unanimous approval on second reading in the other place; and without knowing it to be the fact, I have no doubt that the bill received unanimous approval on its final passage in that house a few moments ago.

Its major provisions are guarantees of freedom of religion, speech, association, the press, of the individual's right to life, liberty and security of person and property, and of his right to the protection of the law without discrimination as to race, national origin, colour, religion or sex. It bans torture or degrading punishment, assures arrested persons of the right to know the charge against them, and the rights to counsel, *habeas corpus* and a fair and public trial.

The proposal for the enactment of a Bill of Rights for Canada is not new. It has been under discussion, not only in Parliament but throughout Canada for a great number of years. It has been discussed and debated in innumerable forums, and special mention might be made of the continuous reviews of the proposal over the years by the Canadian Bar Association and, indeed, generally, by lawyers and others throughout the length and breadth of our country.

But perhaps the most deep-rooted interest in this subject-matter has been evinced by our so-called ethnic groups, meaning thereby, generally, descendants of those who were not of British or French origin—those who consequently, could not be expected to have the confidence of others in the great and historic documents of the past, such as Magna Carta, the Petition of Right, the Habeas Corpus Act, the Bill of Rights, as well, indeed, as in those civil rights and freedoms that are deemed by tradition to be handed down to us by virtue of our status as subjects of the British Crown.

Furthermore, in recent years not only has this subject-matter been discussed and debated in Canada; interest in the subject of Human Rights and Fundamental Freedoms has been world-wide. In its charter the United Nations affirmed its—I quote:

> Faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small.

Actually, one of the purposes for which the United Nations was created was to achieve international co-operation:

> in promoting and encouraging respect for human rights and for fundamental freedoms for all without distinction as to race, sex, language or religion.

All members of the United Nations pledged themselves to take joint and separate action to achieve that purpose. Since the United Nations charter is a treaty, Canada accepted a legal obligation to do this. As is well known, these provisions in the United Nations charter do not, however, have any legal effect within Canada until they are embodied in statute law.

In 1945, when the charter was drawn up in San Francisco, proposals were already being made that an International Bill of Human Rights should be drafted. Subsequently, when the United Nations came into being, it established a commission on Human Rights, whose first main task was to draft such a bill. The commission began its work in January 1947. Almost two years

later, on December 10, 1948, the General Assembly of the United Nations adopted the Universal Declaration of Human Rights. Out of 58 nations represented there, 48 voted their approval of the declaration; none voted against, eight abstained and two were absent.

The first international Declaration of Human Rights was therefore adopted without a single dissenting vote. It consists of 26 articles and covers personal, civil, political, economic, social and cultural rights. These 26 articles do not have the force of binding rules of law either in international relations or in the domestic law of any of the States which approved them, but they represent the aspirations of the common men and women of this age.

They are a statement of what ought to be and represent a challenge and a goal. In most parts of the world that goal is tragically far removed from actual conditions. But the United Nations Declaration of Human Rights is an inspiration to us as well as to others and it forms the background to the fight which the present Prime Minister has been waging for a bill of rights in Canada.

As is well known, the present is not the only occasion upon which the Canadian Parliament has dealt with the subject of civil liberties. May I briefly review the other times when Parliament, and particularly the Senate, has interested itself in this problem. During the session of 1947 the Government of that day introduced a resolution which established a joint committee of the House of Commons and the Senate to consider human rights and fundamental freedoms in so far as Canada's obligations to the United Nations was concerned, and also the position in Canada of such rights and freedoms.

A similar resolution was at that time passed by the Senate and the committee was duly constituted under the joint chairmanship of the Right Honourable Mr. Ilsley and the Honourable Senator Gouin. This committee met a number of times during the session of 1947 and heard evidence from various governmental officials. However, it was decided by the committee that there was not time to hear all the representations which it desired, and therefore no final report was submitted but rather a suggestion was made that the committee be reappointed at the next session to resume consideration of the task assigned to it.

Consequently, during the session of 1948 another resolution to establish a Joint Committee on Human Rights and Fundamental Freedoms was proposed and the joint committee met again to consider, among other matters, the desirability of a bill of rights for Canada.

Further evidence was presented to the committee by governmental officials and written representations were made by various interested groups, after which the committee presented its final report. In its report, however, it recommended against the introduction of a bill of rights at that time. The final report is recorded at page 672 of Senate *Hansard* for the year 1948.

In 1950 the Senate established a special committee charged with the duty of dealing with human rights and fundamental freedoms. The mover of the resolution establishing this committee was the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), and he became its chairman. This committee met during the session of 1950 and received written and oral presentations from a variety of persons and associations. I submit that the findings and report of this committee are especially pertinent to the subject-matter of this bill. The committee reported great public interest in a bill of rights and expressed the opinion that such a bill would be desirable. The committee held the view that the preferable form of a bill of rights would be one which was incorporated into the Constitution of Canada, namely, the British North America Act. However, it voiced qualifications in respect of this form and set out the difficulties in the following language taken from the Senate *Hansard* of 1950, page 589:

> The enactment of a national bill of rights, however, presents difficulties. In Canada, because of her history and the harmonious association of peoples of different races, language and religion, respect for provincial rights as they have been defined in the past is essential. No informed person with any sense of responsibility would suggest that the dominion parliament forcibly invade the provincial jurisdiction. Concurrence, therefore, is an essential requisite to constitutional progress.
>
> This difficulty may not be insuperable, but there is also another presently existing but, it is hoped, passing obstacle. The British North America Act is a statute of the Imperial parliament at Westminster, and objection is now taken by Canadians to legislative intervention by an authority beyond our shores and not of our own election, even though such action is taken at our own instance. Such a request by Canada to the United Kingdom parliament would have the appearance at least of a surrender of sovereignty.
>
> For these reasons, your committee is of opinion that it would be wise to await the time, which we hope is not far distant, when prospective dominion-provincial conferences will have worked out a method for the control within Canada of the Canadian Constitution, and agreement has been reached as to incorporation in the Constitution of a national bill of rights.

I cannot help but express my deep admiration of the language used and the thoughts expressed in the statement that I have just recited. The committee made a suggestion for immediate action in these terms, and I quote again from the Senate *Hansard*, page 589:

Your committee therefore recommends that, as an interim measure, the Canadian parliament adopt a declaration of human rights to be strictly limited to its own legislative jurisdiction. Such a declaration would not invade the provincial legislative authority, but it would nevertheless cover a very wide field. While such a declaration would not bind the Canadian parliament or future Canadian parliaments, it would serve to guide the Canadian parliament and the federal civil service. It would have application within all the important matters reserved to the Canadian parliament in section 91 and in other sections of the British North America Act. It would apply without limitation within the Northwest Territories.

Such a declaration of human rights adopted by the Canadian parliament would solemnly affirm the faith of all Canadians in the basic principles of freedom, and it would evidence a national concern for human rights and security. Judges would recognize the principles of such a declaration as part of Canada's public policy, and subsequent parliaments would hesitate to enact legislation violating its revered principles. To adults it would convey a feeling of security, and children would memorize its terms with pride.

The next step in regard to a bill of rights for Canada was taken by the present Prime Minister at the session of 1952 when he introduced a resolution urging that consideration be given to the advisability of introducing a bill or declaration of rights. This resolution was debated at that time in the other place but the resolution was not approved by the house. I would like at this time to read what I deem to be a very pertinent paragraph in an editorial of the Winnipeg *Free Press* during that debate in answer to those who maintained that paper charters are no substitute for the will of freedom; and I quote:

But they are important as expressions of that will. They are important because they gain a hold on men's minds. They form, as it were, a bench mark on the structure of man's experience; become a part of his past, his traditions of life, and condition his thought of the future. Charters, even though they express no more than a hope, have a way of striking roots in the human heart. They are of the spirit as well as of parchment. No one will deny that the influence of Magna Carta—the Great Charter—has far exceeded its actual provision.

Canada, which has as much freedom as any nation in the world, should not hesitate to proclaim its own faith by establishing it in law.

I would also like to quote a couple of paragraphs from a speech made by the present Prime Minister in the House of Commons as reported in *Hansard* of the 1952 session, volume 1, pages 720 and 721. I quote these words because I think they summarize as well as any words can do the real purposes of a bill of rights:

Someone may ask what a bill of rights would do. A bill of rights would deny the right of any majority to interfere with my serving God as my conscience demands. It would deny the right of any Government to interfere with my right to speak or write so long as I did so within the law. It would deny discrimination against any person because of his race or colour...

A bill of rights would re-define the landmarks of liberty, which are almost erased as a result of the pathways of war becoming the permanent highroads of peace. It would give positive evidence that when Canada at the United Nations Assembly two years ago, accepted the universal declaration of human rights, that acceptance was a dedication of the Canadian people not only internationally but nationally as well. It would make Parliament more careful before passing laws that would have the effect of suspending or interfering with freedom. It would mobilize the spiritual things of life without which neither nations nor men can live a full and abundant life. Above everything else, it would make Canadians freedom conscious.

On September 5, 1958 the Prime Minister introduced in the other place Bill C-60, which was in terms somewhat similar but not identical with the Bill C-79. Bill C-60 was introduced during the dying days of the session, and after leaders of each of the Opposition groups had the opportunity of giving their views on the bill, it was left over to another session to allow interested persons and groups to give to the subject-matter further thought and to make representations for the improvement of the bill. We have now arrived at the final step in this process, namely, the bill presently under consideration here.

Hon. Mr. Roebuck: But not the final step.

Hon. Mr. Thorvaldson: No. I will modify that, and say the final step—

Hon. Mr. Roebuck: At the moment.

Hon. Mr. Thorvaldson: At the moment, yes. Under other circumstances I might proceed to digress upon the contents of the bill, upon the form of language used, upon the question of whether or not it is more desirable that an act for the Recognition and Protection of Human Rights and Fundamental Freedoms should be enacted in the form of an amendment to the British North America Act, instead of as an act of the Canadian Parliament such as this one is. However, that facet of this subject-matter was thoroughly thrashed out and debated by the Senate committee of 1950 and its recommendation in that regard is, as I have already quoted, a matter of record. Also, I might discuss the problems occasioned by the fact that we live under a federal constitution, as a result of which there are necessary limitations to the scope of a purely federal enactment. However, I have no doubt these phases will be discussed by others in the course of the debate on the bill.

Honourable senators, the idea of the inevitable march of freedom has, at some times in history, been taken for granted. It was assumed that by some natural law one nation after another would introduce some form

of representative government modeled on the Mother of Parliaments and that in due time freedom would be universal.

You may be familiar with the lines of Tennyson:

> A land of just and old renown,
> Where freedom slowly broadens down
> From precedent to precedent.

Unfortunately, this optimistic expectation has not been justified by the march of events. Our democratic form of government has in many countries gone entirely out of fashion and has been replaced by the rule of a dictator or a tyrannical clique. And even in Canada we seem at times to have been attracted by the illusion of the efficiency of government wartime controls and have become impatient with the relatively slower democratic processes. It has, among other things, been the evidence of this trend which has led thinking men to advocate clear-cut legislation to guarantee our personal liberty in place of our vague traditions.

Honourable senators, I submit to you that the aim and purpose of this bill is to enact a statute which will define in clear and precise language the fundamental rights and freedoms of all Canadians; a statute which will clearly authorize and assist the courts to protect those rights and freedoms; a statute which will also set a limit to executive authority to interfere with or abridge those rights and freedoms.

This act will be a great landmark in the history of our country—something that we shall be able to refer to as a Canadian Magna Carta.

Hon. Jean-François Pouliot: Honourable senators, many years before I read the resolutions on the Order Paper of the House of Commons by the present Prime Minister and by the former leader of the C.C.F. party on Human Rights and Fundamental Freedoms, many years before the charter of the United Nations was signed in San Francisco, many years before the Treaty of Versailles was signed which exemplified the saying of President Wilson about the self-determination of minorities, we had been taught in school that Thomas Jefferson had written a declaration which was called the Bill of Rights of the United States, and I have learned since that quite naturally the United States is the country where the larger number of people speak of rights, and where rights are so little put into practice or respected.

In the bill that was sponsored by the Prime Minister in the House of Commons, I notice it refers to several freedoms. The first clause reads as follows:

> It is hereby recognized and declared that in Canada there have always existed and shall continue to exist the following human rights and fundamental freedoms, namely,
> (a) The right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;
> (b) the right of the individual to protection of the law without discrimination by reason of race, national origin, colour, religion or sex;
> (c) freedom of religion;
> (d) freedom of speech;
> (e) freedom of assembly and association; and
> (f) freedom of the press.

The freedom of the press dates back to the July Revolution in France in the 1840's. There is no difference between the freedom of the individual and the freedom of the press, but nowhere in the bill is any mention made of the obligations that are correlative to the rights spoken of. I am rather surprised that the most important of all freedoms has not been put in first place. It is freedom of religion. I want to appeal to the intelligence, the spirit of fairness, the patriotism and the good faith of my colleagues, and I treat this question on the highest ground.

I consider that legislation with regard to freedom must have a practical result. All that has been said about this bill may have been beautifully said, but the law will have no sanction; it is just a wish that is father to the thought.

When our Constitution, the British North America Act, was sponsored in the House of Lords, by Lord Carnarvon, on February 18, 1867, he said this about the Senate. This is from page 560 of the *Hansard* of that day:

> There are ... two broad principles to be kept in view in the creation of a colonial chamber (the Senate): first, that it should be strong enough to maintain its own opinion, and to resist the sudden gusts of popular feeling; secondly, that it should not be so strong that it should be impenetrable to public sentiment, and therefore out of harmony with the other branch of the Legislature. These are conditions difficult under the most favourable circumstances to secure; but they are complicated in this instance by a third, which has been made a fundamental principle of the measure by the several contracting parties, and the object of which is to provide for a permanent representation and protection of sectional interests.

The question that I want to submit to you, honourable colleagues, is whether the freedom of religion comes under federal or provincial jurisdiction. At the present time there is a trend in jurisprudence to the effect that freedom of religion is a federal domain, but those who have said so have overlooked the Revised Statutes of Canada of 1886-87.

From the date of Confederation until the publication of those Revised Statutes, the first dominion statutes after Confederation, there has been no meeting between federal and provincial authorities to separate their

own jurisdictions, their respective jurisdictions. The first time that there was a division of powers was in a table that was published as an appendix to the said Revised Statutes of Canada and it was entitled, "History and Disposal of Acts". This said table of acts passed prior to Confederation by the different provinces now comprised in the dominion of Canada, and of acts of the dominion of Canada, shows how much of each is in force and how each has been dealt with. Consolidated Statutes, Canada, 1859. This is a reference to chapter 74, *Rectories,* and it was indicated as "provincial". Appendix No. 1, Revised Statutes of Canada, 1886, Volume II, at page 2321. This was not mentioned in a provincial statute—it was the Parliament of Canada that had decided that legislation concerning rectories was provincial.

Now, honourable senators, we must not overlook the fact that the first time that a statute was passed in Canada to guarantee the freedom of religion, it was in the preamble of the legislation concerning the abolition of clergy reserved in Canada. The whole statute was considered provincial and it naturally included the preamble.

I hope that my learned honourable colleagues who are members of the legal fraternity—I will go farther and say I hope that all of you, honourable colleagues—will follow my argument. I intend to speak just as if I were arguing a case in court and establish, I hope to your satisfaction, that freedom of religion comes under provincial jurisdiction. I will try to make my remarks as short as possible but it is precisely because I have the utmost respect for each one of you that I do not want you to make a *faux pas* in voting for the bill which is presently before this chamber.

Now, I wonder what is your opinion about this suggestion that our civil law comprises all legislation which is special to the citizens of the province, if we speak of the provincial, and of all the country at large if we speak of federal legislation. In the régime of the Union the jurisdiction of the Legislative Assembly was wider than the actual jurisdiction of the provinces, and due precautions were taken in the British North America Act to safeguard the rights of the provinces. One of the most important sections of that act is section 129, which should be put ahead of sections 91 and 92, because it established what legislation already in force belonged either to the Parliament of Canada or to the provincial Legislature.

I admit that section 129 has been wrongly and neglectfully drafted, but if another interpretation is given that the powers of each body are not respectively exclusive, it would be just as well to strike out sections 91 and 92 because they would have no meaning whatsoever.

This matter is so important that I want to take the liberty of drawing to your attention sections 91 and 92 of the B.N.A. Act. Section 91 is headed "Distribution of Legislative Powers—Powers of the Parliament", and it reads:

> It shall be lawful for the Queen, by and with the Advice and Consent of the Senate and House of Commons, to make Laws for the Peace, Order, and good Government of Canada, in relation to all Matters not coming within the Classes of Subjects by this Act assigned exclusively—

Mark you, exclusively—

> ...to the Legislatures of the Provinces, and for greater Certainty, but not so as to restrict the Generality of the foregoing Terms of this Section, it is hereby declared that (notwithstanding anything in this Act) the exclusive—

Mark you exclusive—

> ...Legislative Authority of the Parliament of Canada extends to all Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—

The section concludes as follows:

> And any Matter coming within any of the Classes of Subjects enumerated in this Section shall not be deemed to come within the Class of Matters of a local or private Nature comprised in the Enumeration of the Classes of Subjects by this Act assigned exclusively to the Legislatures of the Provinces.

Now, I turn to section 92—Exclusive Powers of Provincial Legislatures.

> 92. In each Province the Legislature may exclusively make Laws in relation to Matters coming within the Classes of Subjects next hereinafter enumerated; that is to say,—
>
> 12. The Solemnization of Marriage in the Province.
>
> 13. Property and Civil Rights in the Province.

My next submission is that the B.N.A. Act of 1867 has not at all affected and has left intact all the laws that were in force in the province of Quebec and in the other provinces, except those expressly assigned to the federal jurisdiction in virtue of section 91.

Then I must return to what I said in the first place. Chapter 175 of Statutes 14 and 15 V., 1851, has remained provincial legislation; the last revision of the Quebec Statutes took place in 1941, and chapter 307 of 1941, concerning freedom of religion, refers to the Quebec Revised Statutes of 1925, chapter 198, section 1. That section refers to the Revised Statutes of Quebec of 1909, section 4387. That section refers to section 3439 of the Revised Statutes of Quebec, 1888. That section refers to the first section of chapter 74 of the Revised Statutes of United Canada, and that section refers precisely to the preamble of Statutes 14 and 15 V., chapter 175, section 1, an act concerning rectories.

So, you have the complete chain that goes back to the origin of the law, which means that in virtue of the most important section of the B.N.A. Act, section 129, the province of Quebec has kept as its own law the legislation concerning freedom of religion. I am greatly surprised that the matter was not brought to the attention of the justices of the Supreme Court when a case was argued before them in 1953.

I will go further. The province of Ontario took the same steps as the province of Quebec in the Revised Statutes of 1877 and 1887 of Ontario, although that legislation was dropped afterwards; but in studying the legislation, in making legal research, one must go back to the origin of each piece of legislation. Moreover, one can peruse the whole series of dominion statutes and will not find any piece of legislation concerning freedom of religion before this bill was brought before the House of Commons. It means that the provinces of Quebec and Ontario have kept that legislation as their own, and Ottawa has not incorporated legislation of the kind in the dominion statutes.

Another matter which must be submitted to your kind consideration is that freedom of religion is a civil right, unquestionably so, and as according to the Constitution civil rights come under provincial jurisdiction it is very clear that freedom of religion must come under provincial jurisdiction.

I could speak at much greater length about those matters but I will try to summarize as briefly as I can what I have to say to establish the case. I read a very interesting article by Mr. Bernard Schwartz, published in the New York *Times* Magazine of August 25, 1957, part of which reads as follows:

> It is the real relationship that exists between the work of the highest tribunal and public opinion that makes criticism of specific court decisions fruitful. Mr. Dooley notwithstanding, the high bench may not immediately follow the election returns. Yet the justices are extremely sensitive to informed criticism and normally seek to keep in tune with the common sentiment of the community.
>
> Proper criticism of a particular decision is an appeal to the intelligence of a future day, when a later decision may correct the error into which the critic believes the court has been betrayed.

What is the protection of freedom of religion and of other liberties and rights of any private individual if it is not that of the tribunals, that of the courts of the country, whose duty it is to protect the minorities as much as possible? I am very sorry to say, and with due deference, that there have been some considerations of the court which were completely out of place and which were due if not to ignorance at least to the overlooking of historical facts with which all Canadians are familiar. I will refer to the case of *Saumur v. City of Quebec*. It was a case involving the Witnesses of Jehovah. Chief Justice Kerwin, at page 321 of the Supreme Court of Canada Reports (1953), vol. 2, said:

> It appears from the material filed on behalf of the appellant that Jehovah's Witnesses not only do not consider themselves as belonging to a religion but vehemently attack anything that may ordinarily be so termed but in my view they are entitled to "the free exercise and enjoyment of (their) Religious Profession and Worship."

Honourable senators, for one who agrees with freedom of religion I contend that a religion must be something positive. One may worship God or Jehovah, but he must worship. He must pose a positive act, and those who deny all beliefs, all religions, cannot be considered as having a religion. That is my contention and I do not see the logic of the Chief Justice in saying precisely that those people "do not consider themselves as belonging to a religion but vehemently attack anything that may ordinarily be so termed..." and so on. How could anyone on the highest court of the land reason in such a manner? He goes on:

> The Witnesses attempt to spread their views by way of the printed and written word as well as orally and state that such attempts are part of their belief. Their attacks on religion generally, or on one in particular, do not bring them within the exception "so as the same be not made an excuse for licentiousness or a justification of practices inconsistent with the peace and safety of the Province."

I must say that in the French text two words were used instead of the word "licentious" in English. In English only one word was used, while in French there was a substantive with an adjective, namely, *license outrée*.

The Chief Justice goes on to say:

> While several definitions of "licentious" appear in standard dictionaries, the prevailing sense of that term is said to be "libertine, lascivious, lewd." To certain biblical expressions the pamphlets, etc., of Jehovah's Witnesses which they desire to distribute attack a meaning which is offensive to a great majority of the inhabitants of the province of Quebec...

The Chief Justice admits it.

> But, if they have a legal right to attempt to spread their beliefs, as I think they have,

—Imagine!—

> the expressions used by them in so doing, as exemplified in the exhibits filed, do not fall within the first part of the exception. Nor in my opinion are their attacks "inconsistent with the peace and safety of the province" even where they are directed particularly against the religion of most of the province's residents. The peace and safety of the province will not be endangered if that majority do not use the attacks as a foundation for breaches of the peace.

Naturally, it is a very good thing for the peace of this country that that report is far

from widely read not only in the province of Quebec but throughout Canada.

How is it that the Chief Justice took that wrong meaning of the word? There are several meanings of the word "licentiousness". It is defined as follows:

> The state or character of being licentious.

The first definition of the word "licentious" is the following:

> Characterized by or using licence; marked by or indulging too great freedom; overpassing due bounds or limits—"licence" is defined: "Unrestricted freedom of thought and action, especially the abuse of such freedom; freedom misused in contempt of law and decorum; rejection of legal and moral control; libertinism.

It is important in studying any piece of legislation to consider the time when the legislation was enacted. What was the state of mind of the Canadian people in Montreal and in Toronto in 1851? In 1849 there were riots. Parliament was burned in Montreal. Lord Elgin's carriage was smashed, and it was not at all a matter of being libertine, lascivious and lewd. They were disorderly, and the word employed by the statute describes precisely the kind of disorder and riots which occurred at the time.

What was the text of the preamble? I am reading from page 328. It was enacted:

> That the free exercise and enjoyment of religious profession and worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the province, is by the Constitution and laws of this province allowed to all Her Majesty's subjects within the same.

Hon. Mr. Monette: May I ask the honourable senator from what text he is reading?

Hon. Mr. Pouliot: I am reading from (1953), 2 Supreme Court Reports, page 328. This is the legislation of 1851, the main part of the preamble of the Rectories Act.

I regret very much, and I feel rather humiliated when I say so, but it is because the Chief Justice of Canada ignored the history of our country and did not take the trouble to look at the records that he gave a wrong interpretation of an essential word in the law. It is quite offensive.

The Hon. the Speaker: I would point out to the honourable senator that that is very strong language to use when referring to the Chief Justice of Canada. I would request the honourable gentleman to refrain from making such statements. He can make his point without going into personalities. I would ask him to be careful. It is fitting in this house that we show due respect to the Chief Justice of Canada and the Supreme Court, and all other judges and courts of this country. I am sure that the honourable gentleman's remark was a slip of the tongue.

Hon. Mr. Pouliot: Your Honour, I withdraw all the words that are not parliamentary. I was just expressing the feelings I had in my heart, but I will change the sentence by saying it is unfortunate that the Chief Justice of Canada overlooked the history of this country to give a wrong interpretation to an essential word in the act.

I will continue with the judgment of Chief Justice Kerwin—he was not the Chief Justice at that time—at page 323:

> In my view the right to practise one's religion is a civil right in the province under head 13 of section 92 of the British North America Act just as much as the right to strike or lock-out dealt with by the Judicial Committee in *Toronto Electric Commissioners v. Snider.*

There is a great difference between freedom of religion in the province of Quebec and the Toronto strike. My contention is that the power of the province of Quebec to legislate on freedom of religion does not come from section 92 of the British North America Act; it comes from section 129, which refers to legislation that was enacted before Confederation. This is another point that was not brought to the attention of the court. But we have this admission from the Chief Justice. According to him freedom of religion is a civil right, and therefore it must be a provincial right, and he quotes some precedents to conclude:

> For the same reason I also think that freedom of the press is a civil right in the province.

All civil rights. Then he proceeded to make his case in favour of the Witnesses of Jehovah, in contradiction of a statement that freedom of religion is a civil right.

And one judge, who is no longer on the bench, Mr. Justice Rand, gave a judgment, parts of which could not be understood. I will read a page of his judgment in that case and I challenge anyone to understand anything in it. Let us hope that with the new justices the Supreme Court will take different views with regard to matters of such importance. Here is the quotation from Mr. Justice Rand, at page 329 of the same report:

> The only powers given by sec. 92 of the Confederation Act which have been suggested to extend to legislation in relation to religion are Nos. 13, Property and Civil Rights, and 16, Matters of a merely local or private nature in the province. The statutory history of the expression "Property and Civil Rights" already given exhibiting its parallel enactment with special provisions relating to religion shows indubitably that such matters as religious belief, duty and observances were never intended to be included within that collocation of powers. If it had not been so, the exceptional safeguards to Roman Catholics would have been redundant.

He goes on to say:

Strictly speaking, civil rights arise from positive law; but freedom of speech, religion and the inviolability of the person, are original freedoms which are at once the necessary attributes and modes of self-expression of human beings and the primary conditions of their community life within a legal order.

Within a legal order. He continues:

It is in the circumscription...

Mark you,

...of these liberties by the creation of civil rights in persons who may be injured by their exercise, and by the sanctions of public law, that the positive law operates. What we realize is the residue inside that periphery. Their significant relation to our law lies in this, that under its principles to which there are only minor exceptions, there is no prior or antecedent restraint placed upon them: the penalties, civil or criminal, attach to results which their exercise may bring about, and apply as consequential incidents. So we have the civil rights against defamation, assault, false imprisonment and the like, and the punishments of the criminal law; but the sanctions of the latter lie within the exclusive jurisdiction of the Dominion. Civil rights of the same nature arise also as protection against infringements of these freedoms.

That legislation "in relation" to religion and its profession is not a local or private matter would seem to me to be self-evident: the dimensions of this interest are nationwide; it is even today embodied in the highest level of the constitutionalism of Great Britain; it appertains to a boundless field of ideas, beliefs and faiths with the deepest roots and loyalties; a religious incident reverberates from one end of this country to the other, and there is nothing to which the "body politic of the Dominion" is more sensitive.

That is his judgment. There is no argument. It is just sentences put together which are all impossible to understand.

And now, honorable senators, I must read to you some extracts of the evidence of witness Covington, who returned to Quebec recently for a case which has been decided by the Honourable Mr. Justice L. P. Lizotte. I will read from his judgment. Here is what Covington said, as found at pages 345 and 346. His evidence was related verbatim by the former Chief Justice:

Do you consider that writing such books with such insults against another religion, in fact the religion practised by the people of this province or city, a proper means of preaching the gospel?
A. I do.

And he adds:

...history abundantly attests to the fact that the Roman Catholic Hierarchy has had part tacitly in the wars between the nations and the destruction of nations.

And a little further on there is this:

Q. Do you consider it necessary for your organization to attack the other religions, in fact the Catholic, the Protestant and the Jews?

A. Indeed. The reason for that is because the Almighty God commands that error shall be exposed and not persons or nations.

Then the court asks the question:

Q. You are the only witnesses of the truth?
A. Jehovah's witnesses are the only witnesses to the truth of Almighty God Jehovah...
Q. Is the Roman Catholic a true Church?
A. No.
Q. Is it an unclean woman?
A. It is pictured in the Bible as a whore, as having illicit relationship with the nations of this world, and history proves that fact, history that all have studied in school.

And further on the witness declares:

If obedience to a law of the state or nation would compel them—the Witnesses of Jehovah—to thereby violate God's law, they will obey God rather than men.
Q. Notwithstanding the laws of the country to the contrary?
A. Notwithstanding the laws of the country to the contrary.

One cannot understand that the Chief Justice has given judgment in their favour. If those extracts from the evidence of the star witness of the Jehovah Witnesses were spread among the Canadian people, not only Catholics but Protestants and Jews, they would protest very warmly and they would not stand for such insults to them whose only error would be to believe in God and worship him without offending the beliefs of their neighbours.

I will digress for a moment to give you another suggestion. What is liberty? What is a right? Liberty cannot be unlimited. A right cannot be unlimited. My liberty ends where my neighbour's starts, and it means that if I am free to act I must not interfere with my neighbour's freedom. It is unfortunate that there is nothing to protect the liberty of the other fellow in the legislation that is before us. This matter has been studied objectively and upon its merits. If there are to be any more judgments of the kind, it will be impossible to consider the highest tribunal of the country as protection for the rights of the Canadian citizen.

I will not insist upon the erroneous judgment given by Mr. Justice Estey, who has gone to a better world, or refer to Mr. Justice Locke, whose judgment is self-explanatory. But what is very important to know is that in the first instance the case of the Witnesses of Jehovah was dismissed. They wanted to have nullified a by-law of the city of Quebec, dated some time ago, because it forbade them to distribute tracts in that city without a permit of the chief of police. In the King's Bench—*la cour d'Appel*—with the exception of one judge, whose mind was deformed because he had previously acted mostly as a Crown Attorney, the four other judges upheld the judgment of the court of first instance.

Then in the Supreme Court of Canada, four judges decided to dismiss the case of the Witnesses, while five judges stood for it. Does

legal criticism exist in this country? When you have a judgment of more than 100 pages, there are few lawyers who have time to look at it with a magnifying glass and take notes of the contradictions that appear on almost every line. Therefore, it is taken for granted. But the trouble is that it creates jurisprudence although it is without foundation. For a hundred years, from 1851 to 1953, it was understood by all that religion was a provincial matter. Then the Supreme Court changed it.

There were other cases too. There was one in which the municipal autonomy of the city of Montreal was infringed. There was the case of *Birks v. City of Montreal* and it continued with the Padlock case and that of Roncarelli. I point out that this erroneous jurisprudence applies not only to the province of Quebec, but to New Brunswick, to Ontario, Newfoundland and all the other provinces. The rights of those provinces with regard to legislation concerning freedom of religion have been denied by the Supreme Court of Canada. Unless it changes its jurisprudence, there will be no province of Canada that could validly legislate on freedom of religion. That is the conclusion one must reach on that judgment and the jurisprudence that follows it. Some judges seem to be blindfolded—they follow one another as the Chinese walk in line each holding on to the hair of the man in front.

In the important judgment that was given by Mr. Justice Lizotte at the city of Quebec on July 25 he had the courage to stand by his convictions, which were based on the best interpretation of the law, and state that freedom of religion is a civil matter. The memorandum which I am quoting from in a brief, summary fashion, I deemed it my duty to send to no less a person than the Minister of Justice, to inform him about the legal wanderings of some jurists on the bench. As a lawyer of the province of Quebec and a senator of Canada I considered it was my duty to inform the guardian of justice in my Parliament.

As you know, honourable colleagues, in virtue of the law you have the right to challenge a judge; and when you do so it is done in virtue of the law and precedents. As a rule when a judge is challenged he immediately leaves the bench, without question, considering it part of his dignity to do so, and asks one of his brother judges to replace him on the bench. One Toronto lawyer challenged one of the judges of the Supreme Court. The judge who was challenged rose to go, but the Chief Justice told him to stay and he did so, although he did not take part in the registering of the judgment. That lawyer whose crime was to have challenged a judge was sentenced to a fine of $2,000 or 60 days in jail. According to my information the Chief Justice did not consider that sufficient. He wrote to the Law Society of Upper Canada to ask for the disbarment of that lawyer, and apparently he was answered, "Don't you think he has had enough with a fine of $2,000 or 60 days in jail?" That shows animosity. Therefore, what is the protection in virtue of the legislation that is before us to prevent similar occurrences in the future? It is not necessary to be a lawyer to understand it. One should be worried when the protection that we expect from the courts is so frail.

Here is the judgment of Mr. Justice Lizotte. It is a long judgment and I will not read it, but in it he says that he regrets to be unable to follow the jurisprudence of the Supreme Court in the matter of freedom of religion because it is a civil right. This is most important. It shows courage. It shows dignity. It shows convictions. I have never complimented a judge upon a judgment that he has rendered, but I must say that it is an honour to the bench that such an event of importance should occur at times.

Honourable senators, in conclusion I must bring to your attention something that was done by men who lived a long time ago, men who are dead now, and how they succeeded in having freedom of religion respected in this country. I will speak first of one who was very close to me, my father, Charles-Eugène Pouliot, M.P. for Témiscouata, and some of his liberal colleagues and friends: Charles Angers, M.P. for Charlevoix, H. G. Carroll, M.P. for Kamouraska and later a solicitor general, a judge and a lieutenant-governor; P. A. Choquette, M.P. for Montmagny, afterwards a judge and a senator; Henri Bourassa, M.P. for Labelle, who was my father's deskmate in the Commons until my father died; Dr. Romuald Fiset, M.P. for Rimouski, later on a senator, the father of my former colleague, Sir Eugene Fiset, who was a lieutenant-governor of Quebec; Francois Langelier, M.P. for Quebec Centre, who later became Chief Justice; W. L. Fauvel, M.P. for Bonaventure, and Rodolphe Lemieux, M.P. for Gaspé, who became a cabinet minister, a Speaker of the Commons and a senator. I could speak of many others. They suffered very deeply in their hearts because they were unfairly treated by some members of the clergy on account of the Manitoba school question during the election of 1896. At that time sentiment was so high that some people could not perform their religious duties because they were accused of being guilty of supporting Sir Wilfrid Laurier. When they went to the confessional they were asked, "Are you in favour of

Laurier?" and if they said "Yes" the confessor shut the window and the penitents had to go elsewhere to do their duties. Many of them had to go from Trois Pistoles to Rivière du Loup, 30 miles east, to do their Easter duty and their devotions. These people I have mentioned were faithful Catholics. My father prepared a memorandum with supporting affidavits, of which I have the duplicate copies, which was addressed to the Holy Congregation of the Propaganda in Rome. His Holiness Pope Leo XIII sent Monsignor Merry Del Val, afterwards Cardinal Merry Del Val and Secretary of State of His Holiness Pope Pius X, who was made a saint by the Church, to make an investigation. He held his head in his hands and wept when he heard the witnesses telling about all the difficulties that they encountered on account of their political beliefs, because they were Liberals. On his report an apostolic delegate was sent to Canada to see that there was no more trouble of the kind in this country, and the first apostolic delegate who came was Monsignor Falconio, later Cardinal Falconio.

May I be permitted to mention a personal incident? My great uncle, my godfather, and my best friend, who died many years ago—he was my first parish priest, the Reverend Father Blais—invited me to go with him to the wharf at Rivière du Loup to meet the apostolic delegate. I presume that it was as a reparation for the wrongs suffered by my deceased father. I went there and on the return I sat with my uncle and a friend of my father's, Monsignor Dugal. I had the honour to sit in front of Monsignor Falconio, the apostolic delegate, in the carriage that was bringing him from the wharf to the town. My father was dead, but the result of what he had done by preparing with his colleagues of the House of Commons that memorandum which was carried to Rome by Sir Charles Fitzpatrick, and which brought an investigator of such high standing, the Apostolic Delegate, was that all parties benefited, not only in the province of Quebec, but in the whole of Canada. That was done for the freedom of religion of all. It was done by men who are now dead, who are forgotten, whose names do not tell you much, but who had looked into the future and wanted to ensure the freedom of all those who have been and who will be in public life in Canada, for all our fellow-Canadians.

Honourable senators, I should say many other things, but it is nearly 6 o'clock. I thank you for having listened to me. If I told you the experiences I have had under this roof because I expressed myself freely, and how some persons whom I had recommended for positions in this building had to suffer because I expressed my own personal opinions, you would be shocked. I will keep it for some future occasion. Thank you.

Hon. Mr. McGrand: Honourable senators—

Hon. Mr. Macdonald: Six o'clock.

Hon. Mr. Aseltine: Before we call it six o'clock, I will suggest that we do now adjourn, to reassemble at eight o'clock this evening, not 7.30.

Hon. Mr. Macdonald: Agreed.

With leave of the Senate, the Honourable the Speaker called it six o'clock and left the Chair until eight o'clock.

At 8 p.m. the sitting was resumed.

Hon. Mr. Aseltine: Honourable senators, I would like to make a brief statement before the business of the evening commences. The Minister of Justice will be able to come to a meeting of the Standing Committee on Banking and Commerce tomorrow at 10 or 10.30 o'clock to deal with the Bill of Rights, and I was hoping on that account that we might be able to finish the debate this evening. The reason why we should meet in the morning is that it is the only time that the minister will be available until probably Saturday.

Hon. Fred A. McGrand: Honourable senators, I will not delay this debate very long. I am not learned in the law and therefore I am unfamiliar with constitutional problems. I will approach this discussion from the viewpoint of the man on the street. The average citizen is conscious of his freedoms. He knows that they stem from great principles of Government laid down in the past and obscured by time: The Charters of our Liberties given by Henry I to his barons; in the next century another group of barons forced King John to sign the Magna Carta; the Provisions of Oxford, when Simon de Montfort forced his brother-in-law, Henry III, to accept the principles of advice by council; the Grand Remonstrance and the Petition of Right in the days of the Stuarts. These were principles of government rather than acts of Parliament. They were reactions to the infringement on freedom of the individual by the monarchy.

The Normans did not bring democracy to England and the Stuarts believed in the divine right of kings.

James I, the first in the Stuart line, believed in the divine right of kings. On his way from Stirling to London to be crowned

he ordered a suspected thief to be hanged without further investigation. Early in his reign he said:

> I am the husband—and the whole Island is my lawful wife; I am the head and it is my body. I am the shepherd and it is my flock.

It was necessary from time to time to lay down principles of government when the authority of those who governed clashed with the rights of the people over the freedom of the individual in a society less organized than it is today. As time lapsed and the encroachments on freedoms were renewed, it was necessary to renew and reaffirm the freedom of the individual in a changing civilization. The promises of a Norman king at the demand of Norman barons written in the Norman language was for Normans and not for Anglo-Saxon and Celtic inhabitants of England. They were for Norman barons who spoke French. It was 300 years before these principles began to apply to all Englishmen.

The freedoms we enjoy today came to us by special acts of Parliament—abolition of slavery and the slave trade, the reforms in child labour, the right of a working man to sue his employer, the right to vote, and the right to organize trade unions—they came to us long after the charters referred to were a matter of history.

Serfdom was not abolished by a single statute. It passed away gradually. Serfdom went out and freedom came in. They passed each other at the place in British history where human dignity became more precious than property.

Responsible government in Canada was not established by a single act. It came gradually over a period that saw repeated conflicts between the governors and the legislatures and a riot that burned the Parliament buildings.

Trial by jury, the justices of the peace and their successors are old institutions. They settled disputes between individuals for many years and it is equally true that new causes of conflict arise between individuals as they pass from one era to another.

Most of our struggles over fundamental freedoms have originated between the forces of government and the masses. It is, therefore, right and proper for this nation to renew its concept of freedom from time to time as it exists between individuals, between employer and employee and between the individual and the Government.

The man on the street has been told that this could be done by two methods: (1) by embodying it in the Constitution and (2) by an act of Parliament. But he is more concerned about his freedoms than the method of defining them.

The late Right Honourable Mackenzie King said of the British Constitution:

> It is partly unwritten; it is partly written. It finds its beginnings in the lore of the past; it comes into being in the form of custom and tradition; it is founded upon the common law. It is made up of precedents, of magna chartas, of petitions and bills of rights; it is to be found partly in statutes, and partly in the usages and practices of Parliament. It represents the highest achievement of British genius at its best. No one has ever seen it; no one has ever adequately described it; yet its presence is felt whenever liberty or right are endangered, for it is the creation of the struggle of centuries against oppression and wrong. It embodies the very soul of freedom itself.

The origin of our freedom is as vague and difficult to define as the British Constitution that grew up beside it. This may be the time to re-write the definitions of freedom of the individuals that are threatened by the prejudice of class, creed and colour. It is as difficult to evaluate freedom as it is to estimate the human personality.

A few weeks ago several persons while visiting Canada were denied lodgings because of their colour. The matter came up in the House of Commons, and the Prime Minister gave his opinion that the redress of such racial discrimination lies within provincial jurisdiction. Yet, these are the freedoms that the new Bill of Rights must spell out in no uncertain language.

As the proposed Bill of Rights stands, how would it affect the ordinary citizen in New Brunswick? In that province, a child's birth is registered under provincial law. At the age of six he attends school and his education is provided for by the New Brunswick School Act. During his lifetime his health is looked after by the New Brunswick Health Act. He is married under provincial law. Disputes with his neighbour are settled in the New Brunswick courts. His will and property are disposed of by provincial statutes. His death and burial are registered by provincial law and his grave is protected by provincial legislation. If, by chance, a New Brunswicker is a victim of racial or religious discrimination, he is told by the lips of the Prime Minister that his redress is in provincial courts. So, in what way will this Bill of Rights influence the lives of New Brunswickers?

Most of our charters of freedom followed great upheavals in British history. Responsible government in Canada followed the rebellions in Upper and Lower Canada. This Bill of Rights has been called a "beacon" that will guide future legislation. It has been called a "litmus paper" that will keep before Parliament for future purposes the provisions of this bill.

The great charters of the past talked of freedom rather than gave it. In spite of them, the majority of the people continued to live

in misery and without freedom. At the beginning of the 19th century there were nearly 200 crimes that demanded the death penalty. At the middle of the 19th century an Englishman was sent to Van Diemen's Land for the crime of skating on a private pond. About the same time—during the potato famine—an Irish labourer was sentenced to the same place for stealing a cabbage and a few parsnips from an absentee landlord.

During the winter of 1830, a few months before the introduction of the Reform Bill, the hungry field workers in the counties south of the Thames marched in a riotous manner demanding a wage of half a crown a day. What was the penalty? Three of them were hanged and 400 were sent to Australia as convicts. All of this was centuries after the great charters of freedom were proclaimed. And everyone familiar with the history of trade unionism in England will remember the victims of Peterloo and the Tolpuddle martyrs.

The freedoms we have came slowly and, by acts of Parliament, the right of the working class to form trade unions and bargain collectively with their employers. Had it not been for the zealous reformers of the early 19th century who carried the torch of human dignity, who fought for the right to literacy, the right to compensation for an injured worker, the right of association to organize for improvement of working conditions, the working class would be little better off today than it was in the middle of the last century. The bold and courageous men who laid the foundations of the trade union movement made great contributions to society. It gave labour a place in industry and the working man the means to buy the products of his skill.

It seems strange that this Bill of Rights does not mention the freedom to work. Along with the freedom from discrimination of race and colour, the freedom to work offers the greatest challenge of this period. Any man on a job who contributes by his skill to the success of his employer has a right to a fair share of the profit. He has the right to freedom of association, to join with his fellow workers to form a union to protect his rights and he has an obligation to his fellow workers to contribute in the form of dues to support the union for the purpose for which it was organized.

The right of any group to organize to overcome their problems is an undeniable right under the freedom of association. The right to associate for such purpose—or not to associate—should be a basic freedom. Every person should have the right to join the union of his choice or not to join. Compulsion to join a union or lose his right to employ his skill violates the most basic freedom—the right to work.

Which came first? The right to work or the duty to unionize? Primitive man, when the family was the only unit of society, toiled to acquire goods before he entered into association with his neighbour. The right to work is as fundamental as the right to eat. One's first obligation to his community is the payment of his poll and property tax. They are collected by law under the charters of our responsibility and are as old as the charters of our liberty. The law carries penalties for delinquent taxpayers but does not carry the penalty of denying them the right to work.

Should a union demand from a worker a portion of his pay under the penalty of losing his job?—a penalty that the oldest form of government, the municipality, does not demand from a delinquent taxpayer.

It is rumoured that a new political party may emerge in Canada composed of those of socialistic tendencies and with trade union members. It is also rumoured that this party will receive financial support from dues paid by union members. New parties are not unusual. There have been labour parties in the past, and there have been farmers' parties and there have been parties dear to the heart of the manufacturing industry. But there was always the freedom of choice. A farmer, a labourer, a fisherman, or a manufacturer could support the party of his choice with a personal donation. There is no doubt that the old parties or our new parties have been supported financially by those who believed in their principles.

A working man pays his dues to his union to support it in the cause for which it was created—to gain a fair share of the profits of industry. It is only fair and just that he should contribute. It is a different story if a share of his dues is diverted to support a political party in which he has no interest. His freedom of association is violated. He should not be compelled to support a political party other than the one of his choice. One of the proponents of the new party has stated that civil servants should march with organized labour.

A distinction should be drawn between those in trade unions and those in the Civil Service. In the trade union the bargaining agent for labour sits down with the bargaining agent for management to share in the profits of industry. The employers of the civil servants are the taxpayers. The taxpayer has no profit to divide with employees. His bargaining agent is the elected representative in Parliament, who is elected by the majority of people in his riding. He represents no

class, no creed, no colour. His duty is to secure for all his constituents the benefits of our productivity and to protect our heritage of freedoms.

If the civil servants march with labour they must integrate with labour and march on the same marching orders. At what level of the Civil Service will integration stop? Will the civil servant be expected to contribute through dues to a party designed to control Parliament? Civil servants are removed from party strife. They vote as they please. They are not involved in a conflict between management and labour for a share of profits. If they are urged to pay dues to a union, and a part of this money goes to buttress a political party, they are forced into the realm of partisan politics.

If a New Brunswicker is refused work because he will not pay a portion of his dues to support a party for which he refuses to vote, will he hear from the lips of the Prime Minister that it is a matter of provincial jurisdiction? What about the rights of the working man who refuses to permit a portion of his dues to go to the support of a party dedicated to a closed shop in industry and government service? Any party financed by compulsory dues cannot be otherwise than totalitarian in outlook.

Is it possible that in this century some one with the same views of government as James I could say: "All Canada is my lawful spouse. I am the shepherd, and all Canadians are my flock"?

A Bill of Rights for Canada is not complete without a firmer definition of this essential freedom—the right to work.

The working class of England won their freedom from the tyranny of the landlord in the first half of the 19th century and from the tyranny of capitalism in the second half of the 19th century. Is it possible that the right of freedom won in the closing years of the nineteenth century will be lost in the later years of the twentieth century?

All power corrupts and absolute power corrupts absolutely.

All those who seek power try to control the administration of government. The absolute monarch refused to recognize Parliament. The privileged classes in the Hanoverian period controlled Parliament by the purchase of rotten boroughs. It was the reformers of the 19th century that made Parliament an instrument of justice.

Parliament will always be the voice of those who control it. The great landlords controlled Parliament during the reign of the Georges and stifled reform because it might increase the land tax. The working man became a force in politics when the first labour member, Keir Hardie, wore his cloth cap among the silk top hats in the House of Commons. Parliament took on a new look.

It has become a workshop of the nation where the complaints of every group and class are debated and, at least, partially settled. It works well that way. Let us hope that no clique-representing class will ever again control Parliament. Remember the words of Winston Churchill:

If we open a quarrel between the past and the present, we shall be in danger of losing the future.

There is a better way of sharing the profits of industry between shareholders, labour and management. A worker who gives his skill to a company for most of his lifetime has an interest in the company that does not register when he punches the time clock. There is more there than his hours of work. The company that has his skill could do well to have his voice.

Hon. Mr. Wall: Hear, hear.

Hon. Mr. McGrand: He is more interested in the future of the company that he has worked for when times were good or bad than the shareholder who buys stock when the company is prosperous and sells it when profits decline. The personal interest that goes with one's work well done is never spelled out on a pay cheque or a stock certificate.

The man who possesses skill and the man who directs it have more in common than some would have us think. It is within the purview of government to promote profit-sharing in industry. It may help to save the freedom to work.

The man on the street has read in the papers, listened on the radio and television, and discussed with his neighbours the Bill of Rights. By now he knows that it is not protected for all time by being placed in the Constitution, but subject to change by future acts of Parliament. He knows that most of his freedoms are under provincial jurisdiction and he knows that they came by special acts of Parliament or came to us as the common law of England through the unwritten constitution of England. He knows this bill of Rights was introduced in Parliament on July 1—and appropriate day for patriotic utterance but, for practical purposes, it would have been equally appropriate to have it introduced on April 1. If it is a "litmus paper" for Parliament, let it record accurately the legislation to follow in its wake. If it is a "beacon", let it give light. As it stands now, it is a vote of confidence in the freedoms acquired in the past.

Hon. John M. MacDonald: Honourable senators, I have listened with a great deal of interest to the addresses which have been given so far, and I do not know that there is very much I can usefully add to the discussion. However, there are a few remarks I would like to make and I assure you that they will not take long.

This bill is generally recognized as a most important one, and rightly so. It is important because its subject-matter is important to all Canadians, dealing as it does with human rights and fundamental freedoms.

We claim these rights and these freedoms as our own, yet they were not won by us. We did not have to earn them. We received them as an inheritance from our past and we accept them as part of our heritage. Of course all Canadians value and cherish these rights and freedoms. Yet quite often there is a tendency to take them for granted, to accept them as something we are accustomed to and, perhaps since we are accustomed to them, not to appreciate them as we should.

I doubt if it occurs very often to the average Canadian that these rights and freedoms he enjoys could ever be lost, or be abridged or diminished in any way; yet such things can happen, and such things happen not only by deliberate choice, as it were. I do not think for one moment that any Government or any department of Government, or any commission or body of Government, would ever deliberately embark upon a policy to make a regulation, the main object of which was to diminish or take away any of these rights. Yet I believe there is a danger that such might be done indirectly in the pursuit of some other objective, and probably an objective which is good in itself.

The Government in Canada has become a vast and complex organization. It could happen that in the name of efficiency, in the name of a better or more simple form of administration, the rights we now have would be abridged, or diminished, or lessened until they were gone. There are people who feel it is difficult to administer the vast field of social welfare and at the same time not to infringe on some rights or some freedoms. One can see and appreciate that point of view, yet I think it can be safely assumed that in the years to come there will be new and enlarged fields of social welfare and the problems will tend to become more difficult.

Yet, honourable senators, our rights and freedoms must be fully protected and preserved. Since these rights and freedoms were handed down to us, I feel it is our obligation to preserve them and to preserve them in full, whether an attack upon them might come from deliberate policy or some indirect pressure.

This bill spells out what we consider to be our rights and freedoms so far as the jurisdiction of the federal Parliament extends. It is a valuable addition to our laws. Henceforth the ordinary citizen of Canada, either native born or naturalized, can very easily learn at least what the federal Parliament considers to be his rights and freedoms, so far as its jurisdiction extends.

Apart from that I believe this bill serves another very useful and worth-while purpose. It has already been the means of focussing public opinion on this matter of rights and freedoms. It has raised discussion and debates; it has caused people to examine anew the fundamental principles on which we base our rights and our freedoms. There are some who believe it would be better not to have a bill of rights, feeling as they do that our present law gives adequate protection. But in general it has been acknowledged that this bill is beneficial, though there is disagreement as to just what it should contain. I think that the fact that there has been disagreement on what the bill should contain is further evidence of the need for the bill. If learned men, men of great knowledge and ability, cannot agree upon just what are our rights and our freedoms, how then can it be expected that the ordinary, average citizen of Canada would understand them? This bill at least will enable him to know the basic fundamental principles in a form he can understand.

Apart from its value as the law of Canada, I feel this bill is also of great educational value in itself. As we know, it deals only with matters within the jurisdiction of the federal Government yet some of our rights are under exclusive provincial jurisdiction. The discussions which have taken place about these two jurisdictions must have brought strongly to the attention of Canadians that there are these two fields of government and plainly indicates to them that one cannot encroach upon the other.

I believe that it is fair to say that a great many people do not know or, if they do know, they do not understand this division of responsibility. When they refer to Government they make no distinction between the Government of, say, Halifax and that of Ottawa. In fact many people seem to be under the impression that the federal authority is in some way superior to the provincial authority and has some supervisory capacity over it.

Again, honourable senators, there is a body of opinion which holds that a bill of rights should include all rights, those under provincial as well as federal jurisdiction. It is

a fact that provincial bills of rights are necessary. Provinces have to pass various laws relating to discrimination. In the province of Nova Scotia we feel we have a fair record in that regard, but certainly we are not perfect.

It may be of interest to honourable senators to know that back in 1758 the first Legislative Assembly was constituted in the province of Nova Scotia, the first in what is now Canada. In 1820 the island of Cape Breton was annexed to the mainland of Nova Scotia, and in the election of members to the assembly from that island one of those elected was Lawrence Cavanagh. Mr. Cavanagh was a Roman Catholic, and he felt that he could not in conscience take the oath of office which was required of members; consequently, he did not take his seat. This was brought to the attention of the British Government of the day and, to make a long story short, the result was that that part of the oath to which he objected was removed and he was able to take his seat in 1822. So in so far at least as members of the assembly of Nova Scotia were concerned, Roman Catholics could be members of that body a good many years before they could sit in the House of Commons in England.

In the industrial areas of Nova Scotia there are many people who were not born in Canada, and there again we have got along fairly well together in a good spirit of toleration. Yet in spite of our belief in toleration, and much as we dislike discrimination, in the last few years the Legislature of Nova Scotia found it necessary to pass a fair employment law and a fair accommodation law to prevent discrimination. It was actually a shock to us to find that it was necessary to pass such laws, but the actual cases which arose made it absolutely necessary. So I am convinced there should be provincial bills of rights in the provincial field of jurisdiction under the legislatures.

May I say in passing that the rights in the provincial field are perhaps closer to the people. So that perhaps silence would not be taken for consent, may I say that I strongly disagree with the honourable senator who preceded me (Hon. Mr. McGrand) in his remarks on the right-to-work laws. I do think that in negotiations between an employer and a union, if what is called a union shop is written into the contract, it certainly should be an obligation on all those who work for that employer to belong to that union. I think it is a case where the right of the individual to work is limited by the right of his fellow workers to work, and to strive to improve their working conditions. I do not intend to discuss that point further at this time.

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I feel that the question of a bill of rights in the provincial jurisdiction is a matter for the provinces, and I am not convinced that one bill of rights which includes those rights under the provincial jurisdiction would be better than separate bills. I am not convinced that it should be incorporated as an amendment to the British North America Act, unless a method were worked out whereby not only could the act be amended in Canada, but that when amended in Canada it would be with the participation of the provincial Legislatures and not only with the approval or consent of provincial Governments to federal legislation.

Honourable senators, I believe this bill is a real step forward, a real accomplishment. It shows that this Parliament is alive to the need of protecting our fundamental rights and freedoms and that it is determined to do so.

I would like for a moment to pay tribute to those persons who have over the years worked for a bill of rights, members of Parliament and others. If I may be pardoned for saying so, one of those persons, and certainly not the least, is our present Prime Minister.

Hon. David A. Croll: Honourable senators, I can best express my views by first saying that I am one of those who are deeply stirred and excited by both the concept and the reality of a bill of rights. As one who has for many years been an advocate of a bill of rights for Canada, I regard what we are doing today, in endorsing the present Bill of Rights, as a significant landmark in a continuing journey, a journey that in fact has no end, for the protection of human rights is not something that can be secured today forever more but must be constantly reviewed in the light of changing factors.

During most of my tenure in the House of Commons I had a resolution on the Order Paper dealing with Human Rights and Fundamental Freedoms. The Present Prime Minister was generous enough, when he introduced his Bill of Rights in 1958, to associate my name, as well as the name of Mr. M. J. Coldwell, with the bill.

Other resolutions with different wording, but with the same objective, were placed on the Order Paper by the present Prime Minister and by Mr. Coldwell, who was then Leader of the C.C.F. party. For many years, I think every year, we debated one or other of these resolutions, and while we could claim to have alerted public opinion we made no progress, legislatively speaking, until 1958. I do not wish in any way to detract from the credit that is due to the present Prime Minister, for he is doing what I wish my

party had done. A bill of rights is the age-old cry of a citizen for justice, and it is hard to achieve in a simple operation. It is a complex process which must take into account, as I have already said, both the constant and the changing factors. We should think in terms of a beginning rather than a single achievement. I look upon this Bill of Rights with all its imperfections as a useful landmark in the continuing journey of freedom. This bill is the beginning, and if you regard it from that standpoint it is not without value. It is a praiseworthy attempt to strengthen human rights, though much of its phraseology is vague and ambiguous, as perhaps it is bound to be in a bill such as this. A great deal more will have to be done to make the bill a real landmark in the history of the fight for civil, political and economic rights.

The majority seldom need constitutional protection of their rights. It is the minority, the dissenters from majority opinions, who stand in need of a reaffirmation of their freedoms within the law. No statute guarantees free speech in Canada today. Speech is free so long as majority opinion is not offended. No statute guarantees freedom of the press. If all the interpretations that have been given at various times of what constitutes libel, sedition, blasphemy and obscenity were to be applied at one time, a newspaper could say no more than that it might rain tomorrow.

Freedom of worship is guaranteed by no laws. When religious worship is confined to conventional services in conventional churches, it is tolerated, but it would be hard to convince a Jehovah's Witness that he had freedom in all parts of Canada.

In its simplest terms, a bill of rights gives the individual the same protection of the courts in maintaining freedom that the courts afford governments now in imposing their will on the individual citizen.

I made a certain statement on other occasions and I was taken to task for making it in the House of Commons some years ago. As a matter of fact, it was used by the then Minister of Justice when he attempted to refute arguments that I made in favour of a bill of rights. The statement I made was that it is an undeniable fact that basic freedoms are more highly cherished and more secure in Canada than in most other countries. But we cannot afford not to write these human freedoms into our Constitution and proclaim our belief to the world. It would be naive to believe that a bill of rights on the statute books would end all abuse, but its presence in our Constitution would help to create an atmosphere of respect for the human personality. Certainly it would not provoke abuses. It would go a long way in eliminating racial discrimination that not only defies a basic principle, but wastes the skills of a large sector of the population.

We in Canada have waited a long time for a bill of rights. The British House of Commons passed a bill of rights protecting civil liberties in 1689. The United States wrote the Fifth Amendment into their Constitution in 1791, and the Fourteenth Amendment in 1868. It is 271 years since the British enacted their bill of rights and 169 years since the Americans acted. We have had enough time to think it over. I am satisfied that the Government has come to the proper conclusion in presenting this Bill of Rights. I am also satisfied that the Canadian people approve of the bill.

We have had a mandate from our people since the day our forefathers marked their ballot. It is well to see that this Bill of Rights is being considered in the light of modern concept.

I said I was stirred and excited with the bill. I approve of it. I did not say it was a perfect bill nor that a perfect bill could be drawn. I think it is inadequate in that it does not provide that Parliament should have the right to amend its own Constitution. Instead of being a mere statute of Parliament, the bill should be incorporated in the Constitution to enshrine and enrich it. Some effort should be made to obtain the co-operation of the provinces to make the bill all-inclusive.

At the recent Dominion-Provincial Conference the Government was urged to move boldly toward an amendment to provide solid constitutional guarantees of the rights of Canadians. The Government said that it had not previously consulted the provinces. I was a little taken aback when the Government refused their invitation. I think it missed the boat. It may never have such a good opportunity again. Some provinces will, of course, be offended. Some will magnify their differences and in the interval the act may be interpreted in such a way as not to be so appealing to the provinces.

I was pleased when yesterday the Prime Minister promised that a committee of Parliament would be appointed to study, assess and review annually the encroachments of freedom. That should be a joint committee. This watch-dog committee will be as important as any other standing committee and its task will be one of great concern to the people of Canada.

We have heard speeches here this evening about other freedoms. I am not going to get into that debate. I will leave that for another date. However, there are other freedoms that this bill does not protect: Freedom from want, freedom from unemployment.

Every person willing and able to work should be able to find work at good wages and under decent conditions with reasonable security. I do believe there is an inherent right to social security. Freedom from economic insecurity, freedom of trade union association and collective bargaining, and freedom of education. The education of Canadians can be vital and decisive equipment for the survival of freedom. What is more, it would fully equip our people to govern themselves intelligently.

Honourable senators, there are other speakers to follow, and I think that the Leader of the Government (Hon. Mr. Aseltine) has indicated that we wish to finish the debate tonight. I prepared a long speech in my mind. I could go on, but I am not going to. Let me say just this: Freedom cannot be divided into segments. If our citizens are to be wholly free they must be given a bill of rights which covers the intangible as well as the tangible. These rights—the fulfilment of the Canadian promise to every citizen—are the great issue of our times. I have had, as I indicated to you, a long political love affair with the purpose of the bill, namely, human rights and fundamental freedoms. With all its imperfections, I shall welcome the bill on the statute books as the law of the land. From the day it becomes law it will behove all of us to improve it, to make it more meaningful, realistic and workable. It may be a small step, but it is a step in the right direction.

Hon. Arthur W. Roebuck: Honourable senators, I am sure you have all been impressed with the magnificent address just delivered by my deskmate from Toronto-Spadina (Hon. Mr. Croll). He has mentioned something about what is not in this bill. I think it is well to realize that this is not a bill of economic rights. If it were, I suppose one of the first items in the bill would be the right to free trade. What more fundamental freeedom is there than the right to trade, to exchange products of one's labour with other people? Had it been a bill of economic rights, it would have included the fundamentals of life; it would have guaranteed to the newborn baby his right to share in the blessings of the Divine Creator of all things. But this is not that kind of a bill. It has not even been discussed in that connection. This is a political bill of rights.

Honourable senators, the first words I had planned to utter in addressing myself to the second reading of this bill were of congratulations to the Prime Minister for the tangible results which this measure shows of his long advocacy of a bill of rights. Of course, there has been some criticism of the bill. It is open to criticism, but whatever may be said of its detail, the fact remains that it is a parliamentary recognition of respect for the individual and of an attempt to safeguard his rights as such. It is that overwhelmingly, and beyond all question of dispute. I suppose one could scarcely overestimate the importance of the subject-matter of a bill of this kind. Civilization itself is based on a recognition of human rights. Without such recognition, of course, chaos reigns and the law of the jungle prevails. May I say to my colleagues on this side of the house that respect for the individual is the fundamental concept of the liberal philosophy.

When the Prime Minister authorized the drawing of this bill I think he caught a glimpse, at least, of human equality. One must visualize a picture before he can paint it, and recognition is a prerequisite to observance. If, therefore, I appear critical with respect to some phases of the measure, please bear in mind my strong commendation of its parliamentary recognition of human rights and fundamental freedoms, and of the author of the present bill. The Prime Minister spoke, I think, as early as 1942 on this subject, and I venture to predict that he will be remembered for this measure perhaps after all his other accomplishments, and perchance his shortcomings, have been forgotten.

I think it is also important for us to remember that the Prime Minister is not the only one who has served this cause in the Parliament of Canada. My honourable deskmate from Toronto-Spadina (Hon. Mr. Croll) has already mentioned Mr. M. J. Coldwell, who represented the C.C.F. party in the Commons; he is not now a member of that house, but there remains a memory of his actions in this cause for he was as aggressive as anyone else in the house in that regard. Of course, I am happy to recall the great contribution made to the movement that has brought forth this bill by my honoured deskmate and by other Liberals as well. His contribution has been outstanding, so much so that when he spoke in the Commons on the matter the Prime Minister had the grace to recognize the honourable senator's contribution. I would like also to pay tribute to the men and women outside of Parliament. I could name many of them, but that would not be fair to those I failed to mention—men and women who have served this cause ably with patriotism and devotion.

Above all, honourable senators, I think it is most important that we senators continue to bear in mind the great part played by the Senate of Canada, ourselves, in connection with the movement leading up to

the passing of this bill. In 1948, as my friend from Winnipeg South (Hon. Mr. Thorvaldson) mentioned this afternoon, we appointed members to a joint committee of the Senate and House of Commons to consider human rights and fundamental freedoms. I had the honour to be a member of that committee, and the report is signed by the honourable senator from De Salaberry (Hon. Mr. Gouin) as chairman of the Senate section. My honourable friend from Toronto-Spadina (Hon. Mr. Croll) was one of the members of the Commons section of the committee. I would like to read two paragraphs from the committee's report:

> In making this report your committee wishes to state its belief that Canadians enjoy a large measure of civil rights and liberties. That they must be maintained is beyond question. But to attempt to define these rights and liberties in statutory language is a task not to be undertaken lightly.
>
> But whatever steps be advocated by way of statutory enactment or otherwise to preserve human rights and fundamental freedoms Canadians must never fail to recognize that the ultimate and effective safeguard of those rights and freedoms lies in the people themselves, and in a resolute and effective public opinion.

I thoroughly agreed with that sentiment that there is a necessity for an informed and effective public opinion to bring about good legislation, and on March 20, 1950 I moved:

> That a special committee

—not a joint committee, but a special committee of our own house—

> be appointed to consider and report on the subject of Human Rights and Fundamental Freedoms, what they are and how they may be protected and preserved, and what action, if any, can or should be taken to assure such rights to all persons in Canada.

That committee, honourable senators, sat for two sessions. It heard a large number of witnesses and engaged in a profound and exhaustive study of the subject-matter referred to us. On the 27th of June 1950, it presented a report to the Senate which you will find in the Senate *Hansard* for 1950 at page 587.

And strange too, shall I say—because this was ten years ago, and public sentiment in the matter had not developed so far then as it has now—the report was adopted unanimously by this house. I submit to you that that document should live in the history of Canada as one of the Senate's most notable documents. I give great credit to the Prime Minister for his contribution to this movement with regard to human rights and fundamental freedoms and I am sure he will not object if we take some credit to ourselves. There is plenty of credit to go all the way round.

Moreover, I look upon this bill, as does my friend from Toronto-Spadina (Hon. Mr. Croll) and others as just one step in the upward struggle for civil rights and fundamental freedoms. Certainly it is not the last word in legislative endeavour. The very fact that it has been amended several times since its original introduction in the Commons is an indication that it is in a period of growth and is not by any means a final enactment. Nor, honourable senators, is it the first step in Canadian legislation designed to protect the rights of individuals and minorities.

And my friend from Toronto-Spadina need not be pessimistic about the slowness with which Canada has progressed in this matter. I know it takes a long time to bring some subjects to fruition, but let us not forget that our British North America Act in some of its phases is itself a bill of rights and the provisions of that act with regard to individual and minority rights have been of the utmost importance in the development of the Canadian nation in harmony and in freedom. For instance, the British North America Act adopts as Canada's fundamental law the principles of the British Constitution. That is fairly wide, for I think you will all agree with me that at that time Britain was considered the freest nation upon earth. I say at that time, because today I think Canada is the freest nation upon earth. And in addition to what I have said about adoption of the broad principles of British Constitution, the B.N.A. act assured us annual Parliaments, periodical elections, the right of minorities to separate schools, and the use of both French and English languages. There are other points as well, but those were the outstanding ones and they are not to be forgotten today.

Since the introduction of this bill there has been considerable controversy as to whether further civil rights legislation should be enacted as an act of Parliament, or as a further amendment of the British North America Act. It is my opinion that the Constitution is the place for fundamental law such as this, but, honourable senators, I am opposed to having any authority across the sea or beyond our own borders impose our freedoms on us. It will be time enough to consider stating our fundamental basic law when we are able to amend our Constitution ourselves.

I, too, honourable senators, disagree to a certain degree with the procedure that has been followed in the introduction of this bill. I would have commenced the movement not with a bill at all, not with a dry enactment of Parliament, but with a declaration of rights rather than a bill of rights, the declaration to be followed at a later date by the careful dry process of legislation. That is what occurred in the United States.

First there was the Declaration of Independence, and then the legislation which formed the Constitution. First there was the broad statement in these noble words:

We hold these truths to be self-evident, that all men are created equal; that they are endowed by their Creator with certain unalienable rights; that among these are life, liberty, and the pursuit of happiness. That, to secure these rights, governments are instituted among men, deriving their just powers from the consent of the governed.

What a broad, magificent statement that is! One would not find such a statement in a bill, but only in a declaration.

The inspiring Declaration of Independence was unhampered by legal technicalities or considerations of conflicting jurisdictions between state and federal powers. The legal enactment known as the American Constitution was hammered out at the Philadelphia Conference as long afterwards as 1787, to be followed later by a series of amendments to the Constitution, known as the American Bill of Rights. Let me give an example of what that bill contained.

Article 1. Congress shall make no law respecting the establishment of religion, or prohibiting the free exercise thereof; or abridging freedom of speech or of the press; or the right of the people peacefully to assemble, and to petition the government for a redress of grievances.

Article 14. ...no state shall make or enforce any law which shall abridge the privileges or immunities of citizens of the United States; nor shall any state deprive any person of life, liberty or property without due process of law, nor deny to any person within its jurisdiction the equal protection of the laws.

These are fine and inspiring words.

The procedure of first making a declaration, setting forth the broad principles upon which we can all agree, to be followed later by the enactment of legislation necessary to make it effective, was advised by the Senate's Special Committee on Human Rights and Fundamental Freedoms in 1950.

I suggest to my fellow senators that it is most desirable that we in the Senate be familiar with the memorable work of that committee. I appeal particularly to those honourable senators who were not members of this house in 1950 to bear with me if I read a few paragraphs from that report of peculiar significance at this present moment. A portion of the report was read by my honourable friend from Winnipeg South (Hon. Mr. Thorvaldson), but I am sure you will agree with me that at least part of it will bear two readings. I quote:

As a result of its inquiries your committee is assured that there are a very large number of persons in Canada who are deeply interested in the subject of Human Rights and Fundamental Freedoms and that much thought has been devoted by our citizens to the subject. That every man, woman and child has rights is generally accepted as axiomatic, and that such rights should be protected is a conviction as universally held.

Your committee also agrees with this view, holding that every human being, irrespective of mere classifications on account of race, creed, sex, caste or colour, and other like distinctions, has rights which flow from his divine creation. The Brotherhood of man results from the fatherhood of God, and a fundamental equality among men necessarily follows. Such rights are not created by men be they ever so numerous for the benefit of other men, nor are they the gift of governments. They are above the power of men to create. They may be violated by men, not with impunity. They should be recognized, and every care should be taken to preserve them inviolate. Individuals, communities and governments do wrong when they attempt to take such rights away or to disregard them. The invasion of the rights of an individual is wrong irrespective of how many share in the guilt, and though the wrong be at the instance of government.

The increase in population, industrial development and intellectual progress, together with the tragic experience of two great wars, have created new needs and made apparent the necessity for the reaffirmation of old truths. The false ideology of the Nazis, Fascists, and Communists based on autocracy and disregard of the rights of the individual, has strengthened our conviction that the way of life of the western world is based upon respect for the rights of the individual and also strengthened the conviction that governments are properly servants, not masters of the people. Men's thoughts throughout the western world have turned to the subject of human rights and fundamental freedoms.

The report goes on to speak of the work of the United Nations, the Atlantic Charter, and the "Four Freedoms" message. Canada was a signatory of that charter. It speaks too of the United Nations Declaration of Human Rights as one of the greatest documents of modern times.

I read further from the report:

Canada is just commencing her life as a nation. The British North America Act gave to the colonies which it federated a limited autonomy. The imperial Parliament remained in control and our external relations were retained completely in the hands of the United Kingdom authorities at Westminster. Gradually, however, over the years, the statesmen of Canada have cast off, step by step, Canada's colonial limitations, so that Canada has in the fullness of time achieved a complete and unfettered national status, together with a high place in international affairs. Just recently we have given final appellate jurisdiction to our own courts, and the dominion parliament has assumed control of the Canadian Constitution in matters within the jurisdiction of the dominion parliament. At the present time representatives of the dominion and provincial parliaments are endeavouring to work out an agreed procedure for control of the constitution in all respects. This is the final step in the legalistic recognition of Canada as a nation of equal status with all other nations within the British Commonwealth of Nations.

This is then the very time for Canada to decide the basis upon which this new nation is founded. With an astounding unanimity Canadians have individually decided that Canada shall be a land of the free. That here men shall live in the rule of law, in security of person, and that none shall oppress. Equality of right is basic in Canadian thought and must be assured in Canadian law, so that men may live confidently, in self

respect, associating freely and expressing their thoughts without fear. This is the free, self-respecting, manly nation which Canadians have envisaged, and this is the time to nail the emblems of law, liberty and human rights to our mast-head. This is the very moment in which to decide the basis of our nationhood, to guarantee human rights and fundamental freedoms to all our citizens, and to proclaim our principles to the world.

The enactment of a national Bill of Rights, however, presents difficulties. In Canada, because of her history and the harmonious association of peoples of different races, language and religion, respect for Provincial rights as they have been defined in the past is essential. No informed person with any sense of responsibility would suggest that the dominin Parliament forcibly invade the provincial jurisdiction. Concurrence, therefore, is an essential requisite to constitutional progress.

Your committee therefore recommends that, as an interim measure, the Canadian Parliament adopt a Declaration of Human Rights to be strictly limited to its own legislative jurisdiction. Such a declaration would not invade the provincial legislative authority, but it would nevertheless cover a very wide field.

A Canadian Declaration of Human Rights could follow in its general lines the Preamble and certain of the articles of the United Nations Universal Declaration of Human Rights subject to the reservations expressed by the Canadian delegates at the United Nations. It would declare the right of every one in Canada to life, liberty and personal security, the right of equal treatment before the law, to fair trial, to freedom from arbitrary interference with one's privacy; family, home and correspondence, to freedom of movement, to a nationality; to obtain asylum from persecution; to found a family, to own and enjoy property; to freedom of thought, conscience and religion; to freedom of opinion and expression; to peaceful assembly and association; to take part in the government of the country directly or through representatives chosen at periodic elections by universal and equal suffrage. The declaration would also state that every one in Canada has duties to our Community and is subject to such limitations as are determined by law, for the purpose of securing due recognition and respect for the rights and freedoms of others and of meeting the just requirements of morality, public order and of the general welfare and good government of Canada. Finally, the declaration would specify that none of its provisions may be interpreted as tending to permit any group or person to engage in activity aimed at the destruction of the rights and freedoms of the people of Canada.

Such a Declaration of Human Rights adopted by the Canadian Parliament would solemnly affirm the faith of all Canadians in the basic principles of freedom and it would evidence a national concern for human rights and security. Judges would recognize the principles of such a declaration as part of Canada's public policy, and subsequent Parliaments would hesitate to enact legislation violating its revered principles. To adults it would convey a feeling of security and children would memorize its terms with pride.

Honourable senators, I beg your pardon for reading at such length but this is a statement by the Senate of Canada, not by any individual. The members of this house at that time unanimously adopted it and it was a stepping stone toward the progress that I hope we are making at this time as well. It was adopted ten years ago.

Hon. Mr. Burchill: Is my honourable friend the author of it?

Hon. Mr. Roebuck: I refuse to answer on the advice of counsel.

Hon. Mr. Thorvaldson: I think he is.

Hon. Mr. Robertson: It is good anyway.

Hon. Mr. Roebuck: As long as it gets by, I do not care who wrote it.

I want to call your attention to the fact that the great documents of human history are not statutes. They are not laws promulgated by kings or parliaments. Take, for instance, one of the first and greatest of them all, the Decalogue. That was not a statute; it was thundered by Moses from the mountain. It assured mankind who observed it, or the nations which observed it, fundamental things such as the rights of parents to be honoured by their children, of citizens not to be murdered and not to have their property stolen, and it inaugurated in Palestine the rule of law with a divine sanction. The effect of that declaration is simply beyond all calculation, for it has affected the lives and conditions of millions of people for at least 3,000 years.

Take the Magna Carta. My honourable friend from Sunbury (Hon. Mr. McGrand) referred to it tonight. That was an agreeement between the king and the barons, but what about its effect upon human history? It is beyond all calculation. It was not until the *Confirmato Cartarum* of Edward I in 1297 that it was made law by the simple expedient of providing that judgments repugnant to the principle of Magna Carta should be null and void. Here is section 39 of that outstanding document, the Magna Carta, which has played such a part in our thinking and ideology.

No free man shall be captured, or imprisoned, or disseised, or outlawed, or exiled, or in anyway destroyed, nor will we go against him or send against him, except by the lawful judgment of his peers or by the law of the land.

That was written in 1215. It has been a treasured document of the British people and all those who derive their inspiration from them.

Take the Declaration of Independence. That was not a statute, and yet who can measure its influence on the law of America, yes, and on the world and on the thought of all mankind? That is why I expressed disappointment when this bill was first presented. I thought that a great opportunity was being missed in that it was not preceded by some sort of general high-sounding declaration. This is what we said in our report:

What is required in Canada is one grand and comprehensive affirmation, or reaffirmation, of human rights, equality before the law and of

security, as the philosophical foundation of our nationhood, that will assure continually to each Canadian that he is born free and equal in rights and dignity with all other Canadians, that he cannot be held in personal slavery, or arbitrarily arrested, that he will always be presumed innocent of any offence until proven guilty, that he has freedom of thought, conscience, expression and movement, and so on through the Universal Declaration. Thus will Canadians know of their freedom, exercise it in manly confidence and be proud of their country.

Well, we have not proceeded in that way. I think we missed a grand opportunity in not having this bill preceded by a declaration. The bill is a legislative enactment which must necessarily be couched in the language of statutes and all the technicalities of an act of Parliament, as well as having regard to the distinctions between our jurisdictions.

Honourable senators, I do not propose to indulge, at this time of the night at all events, in any criticism of the individual details of this bill. That has already been done at great length in the other place, and possibly others will do so here as well. If there are any doubts or ambiguities in the measure the courts, as has been suggested, will take care of them in due season. However, I cannot pass the details of the bill entirely without an expression of regret at the complete repeal of all that this bill states about human rights, in the event of war, invasion or insurrection, real or apprehended. I thought we were rising above the barbarities of the War Measures Act. I thought perhaps this movement for freedom, and so on, would relegate that to the past, for it is in times of war, honourable senators, or fear of war or insurrection that the rights of the individual are most in danger. It is then that we need some comprehensive protection of the individual. While the bill purports to make the War Measures Act more susceptible to parliamentary control than in the past, it actually gives approval to the act, for it makes clear that the act is still subject to be invoked. I wish the Government had taken their courage in their hands and recommended the complete repeal of that act. I wish, too, that when the Prime Minister was considering this bill he—with his flair for the grandiloquent statement—had sat down and written what was in his heart. I think he could have penned a statement that would have been historical, and its importance would have been enhanced by the fact that it flowed from the pen of a Prime Minister of Canada. Instead of that, he instructed the lawyers of the department to draw this bill, and what we have, of course, is a lawyer's bill and not a people's declaration of freedom and of right. I say the Prime Minister could have done so because I have in my hand an excerpt from his speech of July 1, 1960, and from which my friend on my right (Hon. Mr. Croll) quoted some time since. It appears in the latest edition of *Saturday Night*:

I am a Canadian, a free Canadian, free to speak without fear, free to worship God in my own way, free to stand for what I think right, free to oppose what I think wrong, free to choose those who shall govern my country. This heritage of freedom I pledge to uphold for myself and all mankind.

That is the kind of declaration that we should be approving this evening, and we could have followed it next session with a bill—a dry subject of legislation; but in the meantime we would have inspired our people, we would have given them something to memorize and to be proud of. Yet while I am pointing all this out, because it is deeply in my own mind, I intend to support this bill, and I do support it enthusiastically, for I, too, as well as my friend from Toronto-Spadina have spent many hours in the development of this movement, and I am glad to see us taking this step forward, this parliamentary recognition of the rights of the individual.

Hon. Gustave Monette: Honourable senators, at this late hour I must apologize for speaking. I understand that tomorrow will be a full day in this chamber, and therefore it is necessary to be as brief as possible, and perhaps to abstain when it is not necessary to speak. I do not feel I can contribute much to this discussion, and were it not for some points that I think I should elaborate upon, and were it not for the fact that it was suggested at the time of adjournment that I should speak, perhaps I would have abstained.

My main purpose in offering a few remarks now is that, apart from the merits of the bill, there has been serious discussion by a very able member of this house on the question of whether or not the provinces, and the provinces alone, have jurisdiction in the matter of civil liberties or human rights, especially as related to the freedom of religion. Although I appreciate the force of the remarks which the honourable gentleman made and the courage with which they were delivered, and their very important conclusions, I beg permission to disagree on some points, and that is why I feel that those remarks should not be allowed to pass without comment.

I shall try to express my views in a moderate way, and perhaps I should add that I shall speak without passion and with respect for all those who have their own opinions, and also for the institutions that have been mentioned, including the Supreme Court of Canada and other institutions of great merit that were mentioned, and which no other institution or man could parallel.

Honourable senators, may I first compliment the other house on the enactment of this Bill of Rights, so called. Without offence, may I say that although the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) stated that he supports the bill very enthusiastically, it seems to me that his enthusiasm was a little—I will not say suspicious, but possibly sarcastic, in view of his criticism that the bill was not preceded by a declaration of rights and did not include words that had been uttered elsewhere in other circumstances. It is difficult to attain the eloquence or to match the literature and words of other peoples as to a bill of rights. We should not even attempt to draft a document such as this for all nations in exactly the same form and words.

Now we have our own Bill of Rights and on reading it the wording sounds very good. This bill can hardly be called a piece of legislation. Of course it is in the form of a bill, and we call it a Bill of Rights, but fundamentally it is more a document of recognition, a declaration of rights. The title of the bill says that it is an act for the recognition and protection of human rights and fundamental freedoms. Then there follows a preamble which expresses the idea of the Bill of Rights in terms that make it more of a document of recognition than a piece of legislation. The preamble reads:

> The Parliament of Canada, affirming that the Canadian Nation is founded upon principles that acknowledge the supremacy of God, the dignity and worth of the human person and the position of the family in a society of free men and free institutions;

Those are not bad words. They are not the dry words that were alluded to and that we find in pieces of legislation proper.

The preamble continues:

> Affirming also that men and institutions remain free only when freedom is founded upon respect for moral and spiritual values and the rule of law;

That also is not so bad as an enunciation of a principle.

The preamble goes on:

> And being desirous of enshrining these principles and the human rights and fundamental freedoms derived from them, in a Bill of Rights which shall reflect the respect of Parliament for its constitutional authority and which shall ensure the protection of these rights and freedoms in Canada:
>
> Therefore Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

That preamble in three paragraphs is not badly worded. In fact, it is very well worded. I think that with these expressions in its Bill of Rights Canada should not be afraid that it may not compare favourably with a bill of rights of any other nation.

This bill has received words of commendation from a great number of people. Many people thought, some years ago, that it was just an ideal that would be difficult to achieve. But they now find, and I think we are all in agreement with them, that Parliament has produced an excellent Bill of Rights.

Up to now we had no mention of such fundamental liberties in federal legislation, as was pointed out by the honourable member from Toronto-Trinity (Hon. Mr. Roebuck). In our Constitution we have some particular guarantees specially expressed, but this Bill of Rights is a general expression of fundamental liberties. Not all the fundamental liberties are provided for in this bill. The honourable senator from Toronto-Trinity has correctly mentioned that it does not purport to provide for fundamental rights as to trade, commerce, industry, and so on. As a first charter it starts with the rights pertaining to the human person.

Section 1 of the bill states:

> It is hereby recognized and declared that in Canada there have existed and shall continue to exist without discrimination by reason of race, national origin, colour, religion or sex, the following human rights and fundamental freedoms, namely,

Here again we see that the bill is a recognition and a declaration of human rights. I say this is a declaration of rights, and between this and other declarations there is only a difference of words. We call ours a Bill of Rights. Others would have preferred to have called it a declaration of rights. I contend that this Bill of Rights is a declaration of rights and a recognition of rights. This is set out in the bill as a recognition of the following human fundamental freedoms, namely:

> (a) the right of the individual to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except by due process of law;

I would venture to say that this wording compares very favourably with the wording on many other such declarations.

The bill goes on to recognize other freedoms as follows:

> (b) the right of the individual to equality before the law and the protection of the law;
> (c) freedom of religion;
> (d) freedom of speech;
> (e) freedom of assembly and association; and
> (f) freedom of the press.

I think that is an enumeration of the most important freedoms relating to individuals that has ever been conceived up to now. It would be difficult to express in more appropriate language any of these ideas as to the liberty of the subject in relation to his religion, his right to free speech and other topics already mentioned.

As will be noted from what I just read, paragraph (c) recognizes the freedom of religion.

The honourable senator from De la Durantaye (Hon. Mr. Pouliot) drew the attention of the Senate in strong and vehement terms and with great conviction to the contention that rights in connection with religion belonged to the provinces and the conclusion to be drawn from his remarks is that the Bill of Rights is unconstitutional. He did not say it in that way but that is the conclusion that I would draw.

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

Hon. Mr. Monette: No; I will admit the honourable senator did not use the word "unconstitutional".

Hon. Mr. Pouliot: You are certainly wrong.

Hon. Mr. Monette: I admit I may be wrong, but I concluded that, by affirming that freedom of religion is a matter that is within the jurisdiction of the provinces, in virtue of the Constitution, the honourable senator clearly meant this Parliament had no jurisdiction.

Hon. Mr. Pouliot: If my honourable friend will permit me: What I said was that the jurisdiction over freedom of religion belongs to the provinces in virtue of all the statutes.

Hon. Mr. Monette: I admit, sir, I could be wrong. But in this particular instance my understanding was in accord with what was said.

Hon. Mr. Pouliot: Do not invite me to make another speech.

Hon. Mr. Monette: What I have to say now is about the freedom of religion. Section 92 of the British North America Act does not speak in terms of freedom of religion or the right to legislate in matters of religion, nor does section 91 of that act. It is only by implication that one could claim that "property and civil rights" would include religion, and that it would belong to the provinces. Others may feel that the words "peace, order and good government," found in section 91, would embody religion and be within the jurisdiction of Parliament. At the moment I am not taking one side or the other, because the source of the jurisdiction in such matters goes back much farther.

I agree with my honourable friend from De la Durantaye (Hon. Mr. Pouliot) that section 129 of the British North America Act has a bearing on the matter. That section provides for the continuance after 1867 of existing laws in the then three provinces: Canada—which then comprised the present provinces of Quebec and Ontario—New Brunswick and Nova Scotia.

Section 129 reads:

> Except as otherwise provided by this act, all Laws in force in Canada, Nova Scotia, or New Brunswick at the Union

—that is at the time of Confederation—

> and all Courts of Civil and Criminal Jurisdiction, and all legal Commissions, Powers, and Authorities, and all Officers, Judicial, Administrative, and Ministerial, existing therein at the Union, shall continue in Ontario, Quebec, Nova Scotia, and New Brunswick respectively, as if the Union had not been made;

So, by the first part of that section, all laws existing in Canada, New Brunswick and Nova Scotia before Confederation shall continue, with this proviso:

> subject nevertheless (except with respect to such as are enacted by or exist under Acts of the Parliament of Great Britain or of the Parliament of the United Kingdom of Great Britain and Ireland,) to be repealed, abolished, or altered by the Parliament of Canada, or by the Legislature of the respective Province, according to the Authority of the Parliament or of that Legislature under this Act.

The crucial question is whether the Parliament of Canada or the legislatures of the provinces would have jurisdiction to amend the previous law, if one existed, about freedom of religion. One did exist, and it has not been amended up to the present time. It has in fact remained entirely unamended. Irrespective of sections 91 and 92 of the Act of Confederation, but by virtue of section 129 only, it has remained in force as if the act of Union had never existed.

My honourable friend from De la Durantaye referred to the law of 1852, enacted by Parliament—

Hon. Mr. Pouliot: If my friend will permit me, it was passed in 1851 and received royal sanction from Queen Victoria in 1852.

Hon. Mr. Monette: I am not dividing the authority of the law. It became law in 1852.

Hon. Mr. Pouliot: Precisely.

Hon. Mr. Monette: I am now referring to the statute of 1852, reproduced for some time after Confederation in the revised Statutes of Quebec, and I am reading from page 372 of the 1957-58 Senate *Hansard*:

> Whereas the recognition of legal equality among all Our Religious Denominations is an admitted principle of Colonial Legislation—

That is included in the preamble, and as my honourable friend has said, the preamble forms part of the act.

> —And whereas in the state and condition of This Province to which such a principle is peculiarly applicable—

"This province" means both Ontario and Quebec.

—it is desirable that the same should receive the sanction of direct Legislative Authority, recognizing and declaring the same as a fundamental principle of our civil policy; be it therefore declared and enacted by the Queen's Most Excellent Majesty, by and with the advice and consent of the Legislative Council and of the Legislative Assembly of the province of Canada...That the free exercise and enjoyment of Religious Profession and Worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province, is by the constitution and laws of this Province allowed to all Her Majesty's subjects within the same.

That law is still in force and was not interfered with by any section of the Act of Confederation, and the proper authority to amend it has not yet been determined. So, as it stands it is the clear law of the country that religious professions and religious freedoms are matters that neither the provinces nor the federal authorities could touch, except by way of amendment, and no amendment has been made as to that particular freedom.

I submit that we cannot get out of that. The matter was raised in the case of the Jehovah's Witnesses in Quebec. These people were advancing a creed of their own. They claimed they had Christian views but those views were different from the views of other Christian religions, and indeed the views of other religions. In Quebec the Jehovah's Witnesses had been attacking the Roman Catholic religion quite vigorously, and the provincial Legislature enacted laws authorizing municipalities to pass bylaws to stop them from distributing their tracts in the streets. These tracts not only were concerned with explaining their creed, but I think it can be agreed that they were considered as bitter attacks on the Roman Catholic Church. Acting under the bylaws of the City of Quebec the police went and seized these tracts from the Jehovah's Witnesses and arrested some of their sect. There followed a court action which ended before the Supreme Court of Canada. I myself, and I think my honourable friend from De la Durantaye (Hon. Mr. Pouliot) knows it, was of the opinion that these tracts were offensive to such a degree that they could sow hatred and discord among the citizens of Canada, according to the wording of the act of 1852:

That the free exercise and enjoyment of religious profession and worship, without discrimination or preference, so as the same be not made an excuse for acts of licentiousness, or a justification of practices inconsistent with the peace and safety of the Province,...

The Supreme Court of Canada rendered a decision and it was not based on whether the jurisdiction in the matter of freedom of religion belonged to either the provincial authorities or the federal authorities, but on fact. The majority of the judges recognized that the law of 1852 had enunciated the principles of the freedom of religion but acknowledged that advantage should not be taken of that freedom in order to offend other people or other religions in such a way as to break the peace among Her Majesty's people.

Hon. Mr. Pouliot: If my honourable friend will permit me I will ask him this: Had he been on the bench of the Supreme Court in 1953 with Mr. Justice Kerwin would he have given the same decision as that given by Mr. Justice Kerwin and his other colleagues, Mr. Justice Estey, Mr. Justice Locke, Mr. Justice Rand and another?

Hon. Mr. Monette: I understand well the question of my honourable friend, but I am not here at the moment to say what I would have judged had I been elevated to a position of which I was not worthy. The fact is that the majority opinion of the Supreme Court of Canada with respect to that case was that the tracts in question were not offensive. As a humble citizen I am not of that opinion, just as the honourable senator from De la Durantaye is not of that opinion. During my first session in the Senate there was a debate on that matter and I said at that time that the case had been decided by the Supreme Court of Canada and I did not want to be involved in a harsh criticism of the highest tribunal in our land.

Hon. Mr. Pouliot: My honourable friend has only to say nothing if he does not want to enter into any discussion.

Hon. Mr. Monette: My honourable friend from De la Durantaye has quite properly said certain things. We can all say things quite properly and with due regard for the people or institutions involved, but it is a fact that the Supreme Court of Canada is the highest tribunal in the land and I respect its decisions even though I might have a different opinion. My opinion is that the law of 1852 was the only binding one and that it gave unrestricted freedom of religion to all citizens of the then province of Canada, Quebec and Ontario. But it did contain a restriction, and only one, in that no citizen could take advantage of such a full freedom in order to abuse the liberties of other people or to do anything licentious which would have the effect of creating discord and breaking the peace among the citizens of Her Majesty. On a question of

fact the Supreme Court of Canada decided that these tracts were not so licentious as to do this.

Hon. Mr. Pouliot: Would my honourable friend permit me to interrupt? Does he know that Chief Justice Kerwin, then a puisne judge, was the only one to come to that interpretation as to licentiousness?

Hon. Mr. Monette: I will come to that.

Hon. Mr. Pouliot: I am listening closely.

Hon. Mr. Monette: I do not deny that, but I cannot say everything at once and so I am proceeding in an orderly manner, I think. I have said there was a law that was not to be touched by the Parliament of Canada or by the provinces other than by an amendment, and such was never passed. As I have said, the majority opinion of the court was that these tracts were not offensive. The Honourable Mr. Justice Kerwin, who has since become the Chief Justice, did not see in those tracts of the Witnesses of Jehovah anything that was likely to affect the peace and to sow discord among Canadians. I remember on that former occasion stating that I abided by the court's decision, although I personally felt that the tracts were so offensive that if they had been directed against some good Englishman or Scotsman in this house he would have jumped to his feet upon reading them. At any rate, the court gave its decision based on the facts presented to it. I may be of another opinion, as is my confrère from De la Durantaye, feeling that these tracts were offensive and detrimental to the peace and good order of our citizens.

Hon. Mr. Pouliot: Honourable senators, I rise on a point of order. I agree that my honourable friend can express his opinion freely and say anything he likes. I have no objection to that. That is his right. But I do not want him to impute to me any views that I do not have and that I have never expressed. This I say once for all, and if the honourable senator is not satisfied I will speak on third reading of the bill and correct all the wrong things said, or if not then, at the next session.

Hon. Mr. Monette: I have not expressed anything but the fact that the law is thus and so, and that as regards these tracts I was of the same opinion as the honourable senator. Do not impute any bad sentiment to me. I know the honourable gentleman is prompt in speech. I have great respect for him. May I in justice say that he is very brilliant in this house.

Hon. Mr. Pouliot: Oh, no, no.

Hon. Mr. Monette: I say so; but sometimes one should not be so prompt in qualifying the speech of another without exercising a little restraint before his nerves get too far out of control.

The decision of the Supreme Court has never challenged the authority of the act of 1852 under the union of Parliament, which granted this freedom of religion to Canada. On the contrary, the majority of the judges of the Supreme Court granted that this act of 1852 was still in force. It was because some people of the province of Quebec were arrested under the municipal bylaw that the Supreme Court declared illegal the actions or procedures that had been taken by the province. There was no decision about the law, except to maintain that in our provinces, that is, in Quebec as well as Ontario, we were still granted freedom of religion, solely by virtue of the act of 1852, when full liberty of religion was granted subject to that one objection I have mentioned. In view of that, I think we cannot blame the Bill of Rights for having simply recognized, as it does, that there exists, as there always has existed here, a number of liberties, since 1852, and particularly full liberty of religion. Therefore, on that point I cannot see how we could challenge the propriety of this Bill of Rights, which recognizes the existence in Canada of full freedom of religion and declares that it shall be maintained, which I think is proper. With the spirit of freedom that exists throughout the country at this time, and with the good disposition of everyone toward the rights, feelings, religions and language of others, I do not think that we should try to amend the act of 1852 in relation to freedom of religion.

Honourable senators, I thank you for listening to me so long with patience. I sincerely apologize to the honourable senator from De la Durantaye (Hon. Mr. Pouliot).

Hon. Mr. Pouliot: No, no.

Hon. Mr. Monette: I know he does not need my apology; nevertheless I apologize if in the strength of my conviction I have said things that have been taken as offensive but that are supported by the text of the law and the decisions of the judges.

Hon. Muriel McQ. Fergusson: Honourable senators, I realize the hour is late and I assure you that I shall not detain you very long. However, I should like to make a few comments on this bill, for I too have for years been greatly interested in the matter of human rights and have given it some study, though certainly not anything like that of the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) and the honourable senator from Toronto-Spadina (Hon. Mr. Croll).

I wish to join with others in complimenting the Prime Minister for introducing this measure. I do so without intending any sarcasm, although I may be suspected of this, if I may adopt a phrase used by the honourable senator from Mille Isles (Hon. Mr. Monette). I may make some critical remarks; nevertheless I think the fact that the bill has been introduced is a big step forward in Canadian progress, and I think the Prime Minister should be given great credit for introducing it. If Canada is to have a Bill of Rights, however, I think it should be formally embodied in our Constitution after a conference between the provincial and federal Governments. It is true that in 1950 a Senate committee after much study recommended that because of constitutional difficulties an interim measure should be passed by the Canadian Parliament. However, honourable senators are not bound by such a recommendation today. A Senate committee sitting now, ten years later, after so many changes have taken place in Canada, might come to the conclusion that it is possible to incorporate a bill of rights in our Constitution, and I think that every effort should have been made to do so before this bill was introduced into either of the Canadian Houses of Parliament.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mrs. Fergusson: Honourable senators, it is quite likely that I am slower in grasping the purport of legislation than many of my colleagues.

Hon. Mr. Connolly (Ottawa West): Oh, no.

Hon. Mrs. Fergusson: Well, I must be, because it seems to me that it is impossible for this house to give adequate consideration to this important matter when it is introduced into our house in the dying days of the session. It seems to me that to rush such a bill through the Senate without adequate consideration is to show little respect for either the Senate or for the subject-matter of the bill.

Hon. Mr. Thorvaldson: There is no reason why we should not stay for a week to debate it if anybody wants to.

Hon. Mrs. Fergusson: Honourable senators know that would be a most unpopular move. I do not see how this house can give sober second thought, as it is supposed to do, to a bill which we have not even had time to read since it was introduced here.

Hon. Mr. Macdonald: Hear, hear.

Hon. Mr. Aseltine: We have been considering this for two years now, on and off.

Hon. Mrs. Fergusson: We did not know what amendments might be made before the bill reached us, or what form it would be in.

Hon. Mr. Macdonald: It may have been considered at the honourable gentleman's caucus perhaps, but certainly not here.

Hon. Mr. Aseltine: I do not want to curtail the debate at all. It is quite agreeable to me to debate this for two weeks, if you want to do so. I will stay here.

Hon. Mrs. Fergusson: To give the proper consideration and respect to a bill such as this, it seems to me we should not receive it at all at the present time but we should leave it over for study by the Senate and by a committee of the Senate, thus assuring ample time for the hearing of witnesses early next session. There are many things in this bill that I should like to have an opportunity to study, and many people whose opinions I would like to hear. Although the honourable Leader of the Government (Hon. Mr. Aseltine) says he is willing to stay here another week, I am afraid he might find it difficult even to collect a quorum.

Hon. Mr. Macdonald: A completely impractical remark by the leader.

Hon. Mrs. Fergusson: Honourable senators, my feeling is that in a Bill of Rights for Canada the preamble should refer to our own historical Canadian background and the reasons why we in Canada want and need such legislation. I would suggest that a preamble such as was suggested to me by a friend who has given a great deal of thought and study to the matter of Canadian constitutional law would be much more suitable than the preamble to the present Bill. With permission of the house, I will read the suggested preamble, because it expresses the sort of sentiment that I think should be incorporated into a bill of rights:

> Whereas the three provinces of Canada, Nova Scotia and New Brunswick were united into one Dominion under the name of Canada in the year of Our Lord 1867, with a Constitution similar in its principles to the Constitution of the United Kingdom of Great Britain and Ireland;
>
> Whereas the Constitution of the United Kingdom is established in large part upon historic documents of high renown, in which great principles of Order, Justice and Freedom have been enunciated and made secure;
>
> Whereas in recent years those great principles of Order, Justice and Freedom have been placed in the greatest jeopardy;
>
> Whereas those principles have been preserved for the people of Canada at the cost of many thousands of noble and heroic lives; and
>
> Whereas it now seems fitting that those great principles of Order, Justice and Freedom should be proclaimed in Canada anew, as a memorial to those glorious dead and as a perpetual illumination to all present and future living:

Therefore be it enacted by Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:

Honourable senators, it seems to me that it is certainly against tradition, and a violation of the freedom of debate and proceedings in Parliament, to give a minister of the Crown, as is done in section 3 of this bill, the power to comment on or pass on any bill introduced into or presented to the House of Commons other than in a manner that is available to any other member of the House of Commons. Members who know their constitutional history realize that it is only as a consequence of a constitutional convention that a minister of the Crown is also a member of Parliament. That is because Parliament itself requires him to be. Yet section 3 of the bill places the Crown, through one of the ministers of the Crown, in the very improper position of commenting on the business of the house. I therefore feel that the following words in line 5 on page 3 of the bill:

—and every bill introduced in or presented to the House of Commons...

should be omitted.

I submit section 6 of the bill would be much more appropriate as an amendment to the War Measures Act. It is not concerned at all with any broad principles of human rights or fundamental freedoms and I consider that it certainly has no place in a bill such as this.

However, honourable senators, the feature of the bill that disappoints me most is that it refers only to rights and does not say anything about the corresponding responsibilities and duties of citizens.

Reference has been made in this debate to the Universal Declaration of Human Rights. The Universal Declaration of Human Rights, besides declaring the rights of human beings, also states that everyone has duties to the community. Article 29 of that Declaration says:

Everyone has duties to the community in which alone the freedom and full development of his personality is possible.

Honourable senators know, I feel sure, that for years I have worked for the recognition of women's rights in Canada. In the course of this work I have addressed many women's organizations, and I have pointed out that if women expect to be granted rights they must be prepared to accept the duties and responsibilities that go with those rights. I think if Canadian citizens expect to have rights they must accept the duties and responsibilities that go with the rights, and these duties and responsibilities should be stated in the present bill.

As the bill stands it seems to me to convey the idea that there is an essential antagonism between the freedom of the individual and the activities and purposes of the state. This, I think, is really wrong. The interest of the individual and of the state should be the same, and if this bill is to pass the house it should, in my opinion, have added to it these words or other words having a similar meaning:

All rights and freedoms pertaining to the people of Canada are accompanied by duties and responsibilities to the people and Government of Canada.

I trust that the committee to which this bill is to be referred will consider the suggestions I have made.

Motion agreed to and bill read second time.

REFERRED TO COMMITTEE

On motion of Hon. Mr. Horner, for Hon. Mr. Thorvaldson, bill referred to Standing Committee on Banking and Commerce.

JUDGES BILL

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-89, to amend the Judges Act.

Bill read first time.

Hon. Mr. Aseltine moved that the bill be placed on the Orders of the Day for second reading at the next sitting.

Motion agreed to.

BANKING AND COMMERCE COMMITTEE

NOTICE OF MEETING

Hon. Mr. Aseltine: Honourable senators, before we adjourn I should like to say that the Standing Committee on Banking and Commerce will meet tomorrow morning at 10.30 to consider the bill to which we have just given second reading. I also wish to thank honourable senators for the interest they have taken in this measure. A considerable number of honourable senators have spoken on second reading and in that way have facilitated the sending of the bill to the committee within a reasonable time.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Friday, August 5, 1960

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

Prayers.

THE LATE RIGHT HONOURABLE ARTHUR MEIGHEN

TRIBUTES

Hon. W. M. Aseltine: Honourable senators, like most of you I was shocked and grieved by the sad news received this morning of the sudden death of the Right Honourable Arthur Meighen, P.C., Q.C., B.A., a former Prime Minister of Canada and a former Leader of the Government in the Senate. Less than a month ago—to be exact, on the 16th of June—I took it upon myself to send him a congratulatory telegram on behalf of his former colleagues in the Senate and many friends in the Senate on the occasion of his 86th birthday, and on the 23rd of June I received from him a letter in which he stated:

> Please convey to the members of the Senate my sincere thanks for their kind birthday greetings. I was truly honoured to receive such a message.
>
> My very best wishes for the continued success of all the members.
>
> Yours sincerely,
> Arthur Meighen

I knew the late Right Honourable Mr. Meighen more or less intimately for the past 50 years or so, and I was indeed sorry to hear of his sudden death. We all knew he was in failing health, but even under these circumstances news of death is always shocking.

For 23 years Mr. Meighen was a member of the House of Commons, and for 10 years a member of this honourable body. He was twice Prime Minister of Canada. He was Leader of the Government in the Senate from 1932 until the Government changed in 1935, and after that he occupied the position of Leader of the Opposition in the Senate until he resigned from this house in 1942. During the years from 1934 to 1942 I sat behind the distinguished gentleman in this chamber. It was a real privilege to be here with such a great man. Little did I think at that time that one day I would occupy the position I now hold in the Senate.

The Right Honourable Mr. Meighen was an enthusiastic believer in the Senate, which he regarded as one of the bulwarks of our parliamentary system. He was particularly impressed with the work done by Senate committees in dealing with legislation that came from the other place as well as that which originated in the Senate, and he praised the Senate on many occasions in both Canada and the United States. I never saw anyone who could analyse a bill so skilfully as he could, and it was a revelation to watch him work in Senate committees, where he would sit on one side of the table, with the late Senator Dandurand on the opposite side. They were two illustrious parliamentarians.

Mr. Meighen was a man of high principles, honest and unafraid in expressing his views. He had a brilliant and a questing mind and was regarded by his contemporaries as one of the finest orators in Canadian parliamentary history.

In his death we have lost another great Canadian. I know we all mourn his passing and wish to express our sincere sympathy to Mrs. Meighen and the other members of his family.

Hon. W. Ross Macdonald: Honourable senators, the country is indeed poorer for the loss of the Right Honourable Arthur Meighen. It is given to few Canadians to occupy the position of Prime Minister, and if only for the reason that he had held that high office we would be today regretting his passing. But Arthur Meighen was much more than a former Prime Minister: he was a man of superb intellectual powers, a scholar, a lawyer of note, and one who at all times made the maximum use of his endowments. The late Mr. Meighen was unquestionably one of the most accomplished speakers ever to adorn the Parliament of Canada. His mind was orderly, his logic was clear, and he had an almost unparalleled ability to present his thoughts in forceful and incisive language which will remain an ornament to the pages of our proceedings as long as they exist. He was fearless in debate, and devastating in the cut and thrust of the ordinary parliamentary exchange. He was a man of the most solid integrity, an example to all who would hope to make a contribution to our country and public life. We in this house today mourn his loss, not only as a former Prime Minister, but as a former Leader of the Opposition in the House of Commons and a former Leader of the Government and of the Opposition in this house. He sat here for approximately thirteen sessions, and led his followers on both sides of the house with that distinction and ability which had come to be the hallmark of his parliamentary career.

The Right Honourable Arthur Meighen was, as the Leader of the Government (Hon. Mr. Aseltine) has said, indeed a great Canadian. Many honourable senators will no doubt have read the collection of his speeches, which he entitled *Unrevised and Unrepented*. They are

eloquent in full measure and demonstrate his skill with words and his logic of thought. They are, as he said, unrevised. Mr. Meighen's presentation was always of such brilliance that there was very little need of revision. His character was such that he had no need to repeat. Others might and did frequently disagree with him, but that fact never swayed him from his purpose, which, according to his own lights and the context of the circumstances in which he found himself, was always directed toward the advancement of Canada, which he loved so well and served so brilliantly.

I join with the Leader of the Government in his expression of sympathy to Mr. Meighen's widow and the other members of his family.

Hon. Gunnar S. Thorvaldson: Honourable senators, although the late Mr. Meighen was born in the province of Ontario and spent his early years, including his student years, in that province, nevertheless, during the fullness of his power and eminence, and during the most important part of his public career, he was a citizen of my province, Manitoba. He came to Manitoba in 1898, at the age of 24, and was called to the bar of that province in 1903. As far as I know, the late Mr. Meighen remained a member of the bar of Manitoba until the time of his death. When he began practising law he very soon came to the forefront of the lawyers in Manitoba, even though he practised in what was then a comparatively small community, namely, Portage la Prairie. I am sure that if he had remained at the bar instead of entering politics he would have become one of the leaders of the bar of this country.

As has been mentioned by the honourable Leader of the Opposition (Hon. Mr. Macdonald), Mr. Meighen was an outstanding debater in the Senate. I have heard it said that he was probably the greatest debater in the Parliament of Canada since Confederation. I have also heard it said, and I believe it to be true, that Sir Wilfrid Laurier was probably the greatest orator since Confederation.

Mr. Meighen also was an eminent student of the classical English literature of the nineteenth century and, as is well known, he was one of the great Shakespearean scholars in Canada. Also, of course, he was throughout his life a keen student of public affairs.

There are some things that perhaps are not generally thought of in regard to the late Mr. Meighen. He was a warm-hearted friend, and although a fighter to the finish he nevertheless had a kindly feeling toward his opponents. For instance, I know it is a fact that he and one of his, shall I say, chief detractors or opponents, the late J. W. Dafoe, always remained good friends. I understand also that in the great days in the Senate when Mr. Meighen was leader on one side and Mr. Dandurand, another great Canadian, was the leader on the other side, despite the cut and thrust of debate they remained throughout warm and close personal friends.

If I were asked what was Mr. Meighen's greatest task within Canada, within our own borders, I would say that it consisted in the completion of the amalgamation of the bankrupt railways of Canada in the years 1917 to 1920, which became the Canadian National Railways system. To my mind, the successful achievement of that task was just as essential for national survival as was the winning of the war, in which we were engaged in those years.

Also, if I were asked what was his greatest achievement in other fields, I would say that it was his strong and successful stand against renewal of the Anglo-Japanese alliance at the Imperial Conference of 1921. I think there is no doubt that the stand he took at the time change the course of history of the world, certainly up to the attack on Pearl Harbour.

Mr. Meighen was the only resident of Manitoba who has become a Prime Minister of Canada, and in his death my province has suffered the loss of one who was by all odds its most distinguished citizen. I join with others in expressing sympathy to his widow and family.

Hon. C. G. Power: Honourable senators, as one who sat for many years on the opposite side of the House of Commons from the late Right Honourable Arthur Meighen, and as one who rarely shared his political views, perhaps I should be permitted to say that, after a long career in politics, I consider he was the greatest parliamentarian of my day. He was perhaps not the greatest orator. There was nothing of the demagogue, nothing of the backslapping politician, about Arthur Meighen. He sought perhaps not so much to persuade as to convince by sheer power of of reasoning. His was a brilliant mind; he could analyse any matter of policy or any other question that was put before the house, in the shortest possible time and deal with it concisively and powerfully.

Since we occasionally reminisce here, perhaps I might be allowed to refer briefly to what I thought then and still think was an extraordinary feat. During the election campaign of 1921 Mr. Meighen was touring the country, and among other places visited the city of Quebec, the constituency which I then represented. In that constituency and throughout at least all that section of the province of Quebec feelings were running extremely high against Mr. Meighen on account of his connection with certain legislation which was

not popular in the province at that time. There was a very large meeting in the drill hall in Quebec City. I would say that 75 per cent of the audience understood hardly any English, if any at all. Two or three speakers who had taken the hustings previously to Mr. Meighen were to all intents and purposes howled down. They were unable to finish their speeches. Mr. Meighen rose and addressed himself to that audience, which, as I said, was composed mostly of people who barely understood the English language. He held their attention by sheer force of character and the strength of his personality. He answered interruptions, he quelled those who jeered at him. There was no attempt at great eloquence—it would not have been understood. Here was a man entirely surrounded by opponents, fighting back and giving as good as he got whenever he was interrupted, with wit and strength, fearless as could be, overwhelming his opponents and overawing that crowd which could easily have degenerated into a mob. When, after three-quarters of an hour, he finished a most eloquent speech, the audience was listening to him with almost religious attention. That he did not receive the votes of the people in that audience is not a matter of account, but that he was able by that which was in himself, his inner courage, to stand before such an audience and talk to them in that way was a feat such as has not, in my day at any rate, been repeated in Canada.

Arthur Meighen was distant in many ways, but he had human feelings, and those of us who got to know him outside the halls of Parliament came to admire, respect and esteem him. I am glad to have been one of those.

(Translation):

Hon. Gustave Monette: Honourable senators, I should like to speak French on this occasion. I know that I will not be as readily understood, but I feel it is my duty to speak in the language of the province of Quebec.

Before making my own observations on the late Mr. Meighen, I wish to congratulate the honourable senators who have already spoken in praise of that great statesman.

Honourable colleagues, I would like to draw your attention especially to the speech which has just been delivered by the honourable senator from Gulf (Hon. Mr. Power). His speech did not surprise me. I spoke with him and I know the high esteem in which he held the Right Honourable Arthur Meighen because of his righteousness. I know how much regard the honourable senator from Gulf (Hon. Mr. Power) had for that man of sterling character, endowed with an indomitable will, that man who was equalled by some but surpassed by none.

I support that testimony of one of Mr. Meighen's former political opponents, a testimony which I would have been proud to give myself although I could never have been as eloquent as my honourable colleague, and I know that his words will be well received by the province of Quebec even though the latter did not always give to that great politician the confidence he deserved.

As far as I am concerned, I was a member of the party which he represented in such a dignified manner. I was a candidate in 1911 and again in 1930. I was defeated on the issue which was referred to by the honourable senator from Gulf (Hon. Mr. Power) and which we can call by its own name, now that it has become a dead issue: conscription.

As a sequel to the remarks of the honourable senators who spoke before me, I can state that it was that issue which prevented Canada from taking full advantage of the talents with which Senator Meighen, the former leader of the Conservative party, was endowed, of his great resources and, consequently, of all the things which Canada could have received but did not receive at that time.

He was a pioneer. Mr. Meighen did not consider as true or reasonable the policy which was advocated in the province of Quebec mostly by eminent and sincere men, the policy which really consisted in contending that one can declare war on a powerful enemy and say to him: "Listen, gentlemen, we are declaring war on you, but we are truly a remarkable country. We are declaring war but we will wage war only with volunteers and if, at any time, we do not have enough volunteers and cannot keep up our defence, while we are still at war, well then, you had better go back home!" That is really what the following statement amounted to: "We are declaring war, but only those who volunteer will go to war, so that when we run short of soldiers, you had better go away."

If I am expressing myself in rather forthright terms I wish to apologize. But 46 years and 21 years have now passed since those memorable events: minds have broadened, the mistakes that were made then would not be repeated today. The world has now taken cognizance of itself in all its parts. We know immediately what is happening elsewhere and we know that we can no longer challenge other peoples and even less declare war upon powerful empires, such as the German empire was at the time, without being ready to wage war. At the present time, with the constant danger of war hanging over our heads, we know that it is no longer possible to declare war and to stay comfortably at home, to declare war in Europe

but to order mobilization to defend our territory only. We know full well that, even if we do not declare war, at any moment, at any time, a bolt can come from the blue, directed from any corner of the earth.

That is why I pay tribute to all the members of this honourable house. I am not insinuating that such thoughts remain in men's minds to this day. What we should do is to think it over before declaring war because, once it is declared, there can be no quibbling as to the means to be resorted to. If we want to escape extermination, we shall constantly have to do everything in our power to be ready to defend ourselves adequately; otherwise, we are courting defeat.

I hope I will be excused for having spoken as I have, but I do want to pay tribute to this man who, like many others today, was a true patriot, a statesman who, while he may not have been perfect, was a great and noble man, to whom it never occurred that, after having declared war, it was possible to retire from the front line and risk the terrible consequence of defeat.

I want to pay tribute to the great politician who, because he was so straightforward and so direct, was accused, perhaps not without reason sometimes, of having on occasion lacked the necessary flexibility to consider the possibility of a compromise. He was too forthright to hide his thoughts, too forthright to say the contrary of his thought and, because he was ahead of his time, he gave the impression of wanting to wage war without necessity, of wanting to send young men to war and to their death without proper justification. Some people in the province of Quebec helped to deepen that impression by stating that we had no business sending our young men to war against Germany on behalf of England; in order to reinforce the statement it was even said that we had no business defending France. It was because of such opinions that the people came to believe that Mr. Meighen was a warmonger. It was even claimed publicly in the province of Quebec that he was anxious to see French Canadian blood flow.

Those statements were made, but I am not imputing them to anyone. I was very young at the time, young enough to believe some of those things for a while. But my opinion changed, quite some time ago. I could no longer believe that anyone would declare war upon his neighbour while saying to him: "Listen, if I weaken, I shall take to my heels."

Honourable senators, I have said what I wanted to say, in the name of a certain minority of French Canadians. I have had the great honour of knowing the Right Honourable Arthur Meighen and I think I can appreciate his views and his character. I also believe that I can speak for many other French Canadians who, because of their frame of mind at that time, were not fair to him. I want to speak in their name also because they were all in good faith at the time. Today, we can make amends and let me say, to the honour of my province, which I do not claim to represent, and on behalf of a great many of my fellow citizens who have not always shared his views, that we have lost a great Canadian, one of the greatest of our time. I also wish to offer to Mrs. Meighen and her children, all of whom I know, my deepest condolences and those of all the members of my family.

The Right Honourable Arthur Meighen did not accomplish what he had dreamed of doing for all Canadians, but it is comforting to hear the tributes paid to him by the honourable gentlemen of both sides of the house in such eloquent, fair and generous terms, and in particular, the moving panegyric of the honourable senator from Gulf (Hon. Mr. Power).

(Text):

Hon. R. B. Horner: Honourable senators, as one of the few members of the Senate who sat in this chamber when the late Right Honourable Arthur Meighen was Leader of the Government here, I should like to say a few words at this time. I recall his amazing ability in paying tributes on an occasion when a colleague had passed away. I often recall the words he used when the late Senator Pat Burns was taken by death. He outlined Pat's early struggles and how he ultimately acquired great wealth through his packing plants and huge cattle ranches. He went on to say that Pat was a rare character who had escaped the abuse often heaped on a person who has become successful and acquired property.

I would say that this afternoon the honourable senator from Gulf (Hon. Mr. Power) delivered an oration that was most appropriate for an occasion of this kind. I am sure it was the equal of any we have heard here.

Honourable senators, along with all who have spoken I should like to convey my sympathy to the widow and family of the late Right Honourable Arthur Meighen.

Hon. Mr. Monette: Honourable senators, may I take this opportunity to thank the honourable Leader of the Opposition (Hon. Mr. Macdonald) for his kind words about the late Right Honourable Arthur Meighen, and especially for his reference to Mr. Meighen's great integrity and forthnight mind.

(Translation):

Hon. Vincent Dupuis: Honourable senators, I have no hesitation on an occasion such as this in joining with all my honourable colleagues in expressing my sympathy to the family of that great statesman the Right Honourable Arthur Meighen.

To my mind this is not the proper time to debate the political opinions of so great a Canadian citizen as the one who has just passed on. Over and above political matters and the affiliations of each member, we find the personality of the Right Honourable Arthur Meighen so well brought to light by those who spoke before me.

I have personal memories of that great citizen. While I was a student, in 1911 or 1917, I came to Ottawa hoping to find a job that would make it possible for me to study law. I had been told by the member for my district at the time, the late Roch Lanctôt, who was also the representative of my honourable friend from Mille Isles (Mr. Monette), since we are from the same community, that Mr. Meighen was in favour of nationalizing and amalgamating all government-owned railways. It may have been in 1917, and I believe my friend the honourable senator from Gulf (Mr. Power) recalls that period of Canadian politics. So I was waiting for Mr. Lanctôt to introduce me to someone who could help me with my project. While I was speaking with Mr. Lanctôt, Mr. Meighen came out of the Chamber and Mr. Lanctôt was kind enough to introduce me to him. Then Mr. Meighen said: "You have a very generous member of parliament—he is willing to sell the C.N.R. for one dollar!" And at the time Mr. Lanctôt contended that nationalizing the railways was a bad policy. I might add that, to a certain extent, if the Canadian National Railways had been sold for one dollar Canada would have saved millions of dollars. But that is beside the point.

In 1917 I had the privilege of coming here to the press gallery and hearing the Right Honourable Arthur Meighen speak with forceful persuasion, self-assurance and all the other great qualities of one of the most brilliant parliamentarians I have known. Having heard him, I asked Mr. Lanctôt what he thought of Mr. Meighen and he said that he was one of the greatest debaters in the Parliament of Canada. He recognized as I did that only the eloquence of Sir Wilfrid Laurier could rise above Mr. Meighen's.

Therefore, I join with the previous speakers who have expressed so eloquently their sympathy to that great man's family.

However, before I resume my seat, I would like to ask my distinguished colleague and compatriot from Mille Isles (Hon. Mr. Monette) if he could not when he revises his speech, try to alter slightly the opinion he has just expressed, namely, that he met with opposition on the conscription issue.

Hon. Mr. Monette: Who? Senator Meighen or myself?

Hon. Mr. Dupuis: The honourable senator from Mille Isles just said that he was a candidate at two elections and that a campaign was waged against him on the conscription issue. I would be most happy if my learned colleague could rectify that statement, since I am sure that that is not what he meant. However, let me finish; my learned colleague will then be able to set me right if I have misunderstood his statement.

In 1911 the honourable senator from Mille Isles was a candidate against Roch Lanctôt, who was Member of Parliament at that time, and, if my memory serves me well, the honourable senator from Mille Isles presented himself under the nationalist ticket and the conscription issue did not come up at all at that election. When he was a candidate against me, in 1930, the war had been over for twelve years and the main issue of the campaign was the question of New Zealand butter. Therefore, I would ask him to set the record straight in regard to his statement concerning the attitude he took during the elections in which he participated.

Before I conclude, I would like to ask the Senate's forgiveness for introducing that topic on so solemn an occasion, but since I am the one who waged a political campaign against my distinguished colleague from Mille Isles, I felt it was my duty to enable him to correct any mistake he may have made.

Hon. Gustave Monette: Honourable senators, I will be brief. I do not think my honourable friend (Hon. Mr. Dupuis) interpreted my statements correctly.

Hon. Mr. Vaillancourt: That is the purport of your statements.

Hon. Mr. Monette: No. I meant that the campaign was waged in the province of Quebec and that I was a candidate at that election. However, I did not impute to my opponent the statements he claims I made. I do not wish to go into that subject at this time because I feel that it is out of place. However, in reply to my honourable friend (Hon. Mr. Dupuis), it was not my intention to imply, and I do not think I did, that in 1930 a campaign was waged against me and that I was defeated on the conscription issue, still less in 1911. I spoke of a general campaign; I do not think things would be handled the same way today.

(Text):

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Report of the National Film Board of Canada, for the fiscal year ended March 31, 1960, pursuant to section 20(2) of the National Film Act, Chapter 185, R.S. 1952. (English and French texts).

CANADIAN BILL OF RIGHTS

REPORT OF COMMITTEE

Hon. J. J. Connolly (Ottawa West), Acting Chairman of the Standing Committee on Banking and Commerce, reported that the committee had considered Bill C-79, respecting the recognition and protection of human rights and fundamental freedoms, and had directed him to report the same to the Senate without amendment.

Report adopted.

Hon. Arthur W. Roebuck: If honourable senators will permit me I will make a few remarks on this bill.

Hon. Mr. Macdonald: Has there been a motion for third reading?

Hon. Mr. Roebuck: What I have to say has to do with the report.

I rise to protest against our receiving a measure of this importance so late in the session. The report of the committee I concur in. There was nothing else we could do but report the bill without amendment. It is not practicable at this stage of our session to try to improve the bill, to add anything to it or take anything away from it. Now, that is not right. We should have had considerable time for discussion and perhaps improvement of this measure. Our reporting of it is not to be understood to mean that we approve it in every word, either what is there or what is not there. We reported it because we could not do anything else.

Hon. Mr. Macdonald: Is there a motion for third reading?

The Hon. the Speaker: Not yet.

Honourable senators, when shall this bill be read a third time?

Hon. Mr. Thorvaldson: Honourable senators, I would like to make a few remarks.

Hon. Mr. Macdonald: Mr. Speaker, on a point of order.

The Hon. the Speaker: The motion for third reading should be made and then debate can follow.

Hon. Mr. Roebuck: Was I not in order in speaking? I thought the motion was to adopt the report.

The Hon. the Speaker: I try not to make rulings having retroactive effect. The honourable senator has spoken. Another honourable senator wishes to speak, but before we hear him there should be a motion for third reading.

THIRD READING

Hon. Mr. Thorvaldson: Honourable senators, I move that the bill be read the third time now.

Hon. W. Ross Macdonald: Perhaps before the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson) speaks he will permit me to say a few words. I do not wish to speak first if he would like to precede me.

Hon. Mr. Thorvaldson: No.

Hon. Mr. Macdonald: Honourable senators, I wish to congratulate all those who have taken part in this debate. I thought we had an excellent debate last night.

Hon. Mr. Aseltine: Hear, hear.

Hon. Mr. Macdonald: There was not unanimity. In fact, on two occasions there were strong expressions of differences of opinion between honourable members. However, I think we would all support the phrase that is attributed to Voltaire:

I disagree with what you say but I will defend to the death your right to say it.

It is quite in order that honourable senators should disagree with one another and express their disagreement. In the past such disagreement has not always been between members on different sides of the house. On the contrary, there has frequently been open disagreement between those of us who claim allegiance to the same political party. I think that is all to the good, especially in this house.

This measure is entitled "An Act for the recognition and protection of human rights and fundamental freedoms," and the short title is the "Canadian Bill of Rights". All I can say, honourable senators, is that I wish its provisions were as all-inclusive as its grandiose name suggests.

I wish to express my agreement with the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) in his objection to the lateness with which this bill has been

presented to this house. It was also objected to last night in strong terms by the honourable senator from Fredericton (Hon. Mrs. Fergusson). I think the three of us are expressing the view of most honourable senators that the bill was introduced too late for us to give it proper consideration.

Hon. Mr. Thorvaldson: The bill was introduced into the Commons on the first of July, some 35 days ago.

Hon. Mr. Macdonald: I will come to that point in a moment. I think the bill was worth all the debate it provoked in the 35 days that it was in the other house, but it certainly was entitled to debate in this house for more than two days.

Honourable senators will recall that the first bill along these lines was introduced into Parliament by the Prime Minister in September 1958. That first effort was withdrawn. In September 1959, in an appearance before the annual meeting of the Canadian Bar Association at Vancouver—at which some honourable members were present—the Prime Minister stated:

> It is my intention to have the measure to provide for a Bill of Rights introduced early in the next session of Parliament.

That is, early in the present session of Parliament.

In spite of this undertaking and in spite of the well-known fact—and I understand this is very reliable information—that the bill was drawn up and in proper form to be presented a very short time after Parliament met, which was in January, its introduction was delayed until July 1, in order to take advantage of the celebration of our national holiday. Now, honourable senators, while I have no quarrel with the general object of associating the Bill of Rights with our country's birthday, it seems to me it would have been much better to follow a course of action which would have allowed for introduction of the bill not necessarily on the date suggested by the honourable member for Sunbury (Hon. Mr. McGrand), but on a date early enough to permit proclamation of the bill on July 1. There was plenty of time to have taken that procedure. But of course this is only another example of the confusion and uncertainty resulting from the introduction of bills in this house very late in the session.

As was mentioned a moment ago by the honourable senator from Winnipeg South (Hon. Mr. Thorvaldson), the Bill of Rights was introduced in the House of Commons on July 1. It was debated there for a long time; then it went to committee, where it was further debated and where at least 20 witnesses were heard. The consideration of basic rights and freedoms is surely one of the most important tasks to which Parliament can address itself, and I am discouraged to think that the Senate could not give this bill the consideration it deserved.

Honourable senators may say that the bill was considered in committee this morning and we had ample opportunity of discussing the bill. Discussing the bill with whom? Discussing the bill with the Minister of Justice. I might say the minister was very courteous, he was not rushed for time, he gave careful consideration to all the questions that were asked of him and I do not think we could have asked any more from the minister this morning. I believe I can say on behalf of all the committee that we appreciated his attendance there while others were asking for him in the house, and we were delighted with the manner in which he discussed this bill with us. But I regret, honourable senators, that we did not have time to call witnesses. Oh, you might say, witnesses were called before the committee of the other house and we could have read the reports. But we could not question the witnesses, as we have the right to do. Had we done so, we might have received further suggestions to make to the Government.

Hon. Mr. Thorvaldson: May I ask the honourable senator a question? What witness could we have called to the Senate committee meeting who knew more about the subject-matter of this bill than does the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck)?

Hon. Mr. Macdonald: I quite agree with my friend's observation. I cannot think of anyone, either in this house or outside it, who knows more about the subject-matter of this bill than the honourable senator from Toronto-Trinity, but there are other people who have different views.

Hon. Mr. Choquette: They would only confuse the issue.

Hon. Mr. Macdonald: They might confuse my honourable friend, but unfortunately I did not have an opportunity of being confused. We did not have an opportunity of hearing their views expressed. My honourable friend may be completely satisfied with his knowledge of this whole question; indeed, he may feel that he is so well informed that he does not need to hear anybody else's views. I am not in that position, and there are other honourable senators who

feel the same way. This is a big and an important question for the people of Canada. Surely there is not a member of this house who would say he or she knows all about the subject and does not want to hear the views of anyone else. But we have had to accept the situation and get along without the expression of views of other people.

I compliment the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), upon his splendid speech of last evening, and upon the study that he has made of this question and the wonderful leadership he gave when the matter was before a special committee of the Senate in 1950. I feel also that this bill might have been introduced in the Senate. I need not remind honourable senators that this house has in its membership men and women of great distinction and learning, who are better equipped perhaps than any other group in Canada to give non-partisan and scrupulously careful thought to a measure of this nature. I remind you again of the contribution made by the deliberations of the committee in 1950. Therefore, I say that this bill might well have been introduced in the Senate; and, since it was not to be introduced here, it at least could have been considered by a joint committee of the two houses. That was the original intention of the Prime Minister, but there seemed to be an about-face in his attitude with regard to the method by which this bill would be handled.

Honourable senators may recall that at the meeting of the Canadian Bar Association in Vancouver last year the Prime Minister said, as reported at page 94 of the proceedings of the association, that he intended to have the measure to provide for a bill of rights introduced early in the current session. That was not carried out. He also said he intended—and these are his exact words: " . . . to have it submitted to a committee of both houses of Parliament". In other words, he intended to refer it to a joint committee. I feel that had the Prime Minister's original intentions been carried out the legislation might well have been in better form than it is. Nevertheless, honourable senators, I can assure you—and you will not be surprised—that in spite of my criticisms I intend to give general support to the bill, although with reservations.

There have been a great many criticisms of the bill, most of which were made in the other house and in the special committee of that house. I do not propose to take the time of the Senate to review all that took place in that house and in the committee. Witnesses appeared before the committee in response to hasty summonses. In fact, I feel this whole matter has been rushed through Parliament much too quickly.

Professor Frank Scott, of the Faculty of Law of McGill University, said that he would rather have no bill of rights at all than the proposed bill. My friends will say that view was expressed before the amendments were passed. Let me point out that a great many of the amendments were made at the suggestion of the Opposition in the other place. However, I am not sure that the amendments entirely meet the proposals put forward by Professor Scott. In any event, we all agree that Professor Scott is an eminent and a well-informed person. He said that he " . . . feared that the bill, if passed now, would delay acceptance of something better later."

The Canadian Bar Association has had grave misgivings about this proposed bill of rights. I do not intend to read what was said at the association's meetings, nor do I intend to refer to the brief that the association presented to the special committee of the other house. Those of us who are lawyers, and others, know that the bill does not meet with the views of members of the bar association.

The Canadian Labour Congress has deep misgivings about this bill. The president, Mr. Claude Jodoin, who spoke for that association with its membership of more than a million persons across Canada, said that a bill of rights ought to be binding upon both the federal Government and the provinces. He hesitated to think that we would consider going on with it as a federal undertaking.

Hon. Mr. Thorvaldson: Surely the honourable Leader of the Opposition (Hon. Mr. Macdonald) knows the answer to that question. It is a simple proposition.

Hon. Mr. Macdonald: I do not know the answer to it, but I will come to the question later.

Mr. Jodoin felt, and he is entitled to his opinion—and, I say, he is speaking for a million people across Canada—

Hon. Mr. Aseltine: No, no.

Hon. Mr. Macdonald: He is speaking for an association which is made up of that vast number of persons.

Hon. Mr. Aseltine: He is giving his own opinion.

Hon. Mr. Macdonald: He was at least speaking for the executive of that organization composed as it is of a million or more people across Canada and, I repeat, he is entitled to his opinion. He said that this bill should

have been held back until a bill could have been brought forward that would have been inclusive for all Canada.

Hon. Mr. Thorvaldson: He is entitled to his opinion, but he is not entitled to force that opinion on Parliament.

Hon. Mr. Macdonald: I am not saying he is forcing his opinion on Parliament. I say he is entitled to his own opinion.

Hon. Mr. Thorvaldson: Of course.

Hon. Mr. Macdonald: And the bar association is entitled to its opinion, as are Professor Scott and others who have expressed themselves. But we can only read what these people have said; we cannot question them. I do not agree that this is the way in which the Senate should carry on its business.

Honourable senators, the general background of the desirability of legislation in the field of human rights has been discussed for many years by thoughtful Canadians, some of whom take the view, as do strong supporters of this bill, that it is desirable to lay down in the law a redefinition of existing rights in declaratory form. Others have suggested that basic rights and fundamental freedoms under the British system of government are better protected by the courts. They say it is unwise to legislate in this field, as any statement of rights, in statutory form, may tend to limit the interpretation of the courts in the event that new rights, not necessarily anticipated at the time of the enactment of the statute, may arise and give the courts room, whether they wish to have that room or not, to state that because some proposition urged as a right is not in a bill of rights, therefore it is not a right.

Some lawyers may be inclined to feel that our rights are better protected by courts than by the legislature. Whether or not this is so is perhaps an arguable proposition, but it is a question on which there is such a wide difference of opinion that I feel it could have been discussed at some length in our committee had it come to us earlier in the session. We should have had an opportunity of bringing the proponents of these various ideas before our committee to find out on what grounds they based their opinions.

There is another proposition which has not been particularly canvassed. I refer to the view that a declaratory enactment of this kind is of little use for the reason that the establishment and protection of rights may depend much more on the support and intent of the populace in general, and on their representatives in either the legislative, executive or judicial fields. In brief, this position can perhaps be summarized by pointing out that many an autocratic and undemocratic state has written into its constitution a bill of rights which has had little or no effect in terms of the protection of the society concerned because of a lack of the democratic process in itself.

In discussing this particular suggestion, I need only remind honourable senators that one of the best examples of a bill of rights in existence today—under another name, of course—is that which can be found in the constitution of the U.S.S.R.; and it would be ridiculous to suggest that the populace of that country enjoys, in any degree, parallel rights and liberties to those enjoyed by citizens of Canada, which to date has not got a bill of rights. But that is no reason, in my opinion, for saying that Canada should not have a bill of rights. Indeed, we should have one and we should write into our law a definition of existing liberties.

Honourable senators, I do think it is desirable to pass a bill of rights in the most comprehensive nature possible, and this brings me for a moment to a consideration of the special problem with which we are faced in Canada, operating, as we do, under a federal system. I take it that we in this chamber for the most part agree with my proposition that it is in the best interests of our country that we should have a bill of rights, but I think we would all be happier to pass one whose application was not restricted to matters under the jurisdiction of the federal Parliament. Surely everyone will agree that it would be much more desirable in a constitutional system such as ours, in which responsibilities are divided between federal and provincial jurisdiction, to have an overall bill of rights, acceded to by both the federal Government and the provinces, which would cover the broad general field of rights much more adequately than this present enactment can possibly do. In that regard I would refer honourable senators to an article appearing in the *Canadian Bar Review* of March 1959, written by Professor Bora Laskin of the University of Toronto.

Honourable senators, it may be that until a short time ago it would have been difficult to obtain the consent of the provinces to an appropriate amendment to the British North America Act, and when this bill was conceived it might have been thought impossible to get that consent; but events of recent weeks have surely proved that there is now a very good chance of agreement being reached. I wonder why this bill was not held up until such agreement could have been reached. I am fearful that it may be felt that, as we will have a federal bill of rights, we should not proceed to enact a

general bill of rights for the whole country. The attitude might be, "Let us see how it works for a while." There may be some merit in that and I am not really too severe in my criticism, but I would have been happier had the bill been held up for at least one year to ascertain whether something could not have been accomplished in respect to a joint measure.

Honourable senators will have followed with interest the proceedings of the recent Dominion-Provincial Conference and the important contribution made to those deliberations by the Honourable Jean Lesage, Premier of the province of Quebec. I would like to draw attention once more to an exceedingly significant declaration made by Mr. Lesage on the opening day of that conference, when he dealt with the general question of the protection of rights. Mr. Lesage had this to say:

(Translation):

We have noted that the federal Parliament is at present studying a Bill of Rights which we certainly hope does not extend beyond the field of federal jurisdiction. It seems to us that we have here a magnificent opportunity to discuss this problem and to see if we cannot agree on a joint declaration of human rights that could be embedded in our Constitution.

The Government of the Province of Quebec therefore proposes that this important problem be discussed immediately in a preliminary manner in order to ascertain whether it should be studied more thoroughly when the conference resumes its meetings.

(Text):

Subsequently, honourable senators, other provinces made suggestions along similar lines and it seems to me that if ever in the past there was a doubt about the possibility of a joint approach to this problem, significant steps have been taken toward the resolution of those doubts. I feel, therefore, that the bill before us can stand considerable improvement. I am not at all sure that we are accomplishing much in passing it in its present limited form, but I have every reason to hope that a far broader enactment can be passed after consultation with the provinces. To put it in a nutshell, I suggest that the enactment of Bill C-79, restricted as it is to matters under federal jurisdiction, will not advance the cause of human rights substantially. The real advance will come after joint action with the provinces.

Hon. Mr. Aseltine: I hope your optimism is justified.

Hon. Mr. Macdonald: I sincerely hope so. I have great confidence this can come about, but I doubt the efficacy of the present measure. Nevertheless, honourable senators, I cannot see that it will do much harm...

Hon. Mr. Aseltine: I know ten thousand people in western Canada who don't know the difference between the federal jurisdiction and the provincial jurisdiction, who would agree with this bill.

Hon. Mr. Macdonald: Well, it is no compliment to my colleague's ten thousand friends if they do not know the difference between the federal and the provincial jurisdictions.

Hon. Mr. Aseltine: I mean they do not pay any attention to that.

Hon. Mr. Macdonald: My friend did not say that.

Hon. Mr. Roebuck: He is speaking of the Conservatives.

Hon. Mr. Macdonald: There may be ten thousand of them there—I don't know—but no doubt he was speaking for them.

Honourable senators, I repeat that I cannot see that the bill will do much harm, and to the extent that it provides encouragement for thought in this type of legislation, I welcome it, restricted though it may be.

Hon. William M. Wall: Honourable senators, let me state at the outset that I intend to support this bill, although I wish to make a few observations on third reading. I was unable to speak yesterday on second reading, and I feel that some things need to be added to the record.

I associate myself with the criticisms expressed by honourable senators concerning the timetabling which brought this important piece of legislation to us at this late stage of the session. I too believe that a better bill might have resulted if the timetabling had been different, generally, to allow more time for study and debate, and if the members of this house had had either an opportunity to serve on a joint committee to study the measure or an opportunity to hear and to question witnesses in the Senate committee. It is very important to keep this new legislation in its proper and true perspective. In other words, we should address ourselves, and also call upon the Canadian people to address themselves, to the important question of what the bill is and what it is not; or, to put it in other words, what the bill does and what it does not do.

I might begin by pointing out that during committee consideration the honourable senator from Huron-Perth (Hon. Mr. Golding) asked this general but substantive question, which I paraphrase, I hope correctly: What new rights and what new freedoms are being provided or guaranteed in the present bill? The Minister of Justice, in effect, said "None". I am stressing this, not in a sense of criticism, but to make abundantly clear that this bill confers no new rights on Canadians—no

rights which they do not now possess through common law or by virtue of existing federal statutes, as now confirmed by long-established and accepted jurisprudence. In other words, in so far as rights and freedoms can be guaranteed at all, without placing limitations on the powers of Parliament itself, these rights and freedoms already exist.

Now, in this context I am addressing myself to clause 1, and reminding honourable senators of the contribution of the honourable senator from Sunbury (Hon. Mr. McGrand). May I point out that clause 1 lists the rights and freedoms. The four freedoms listed are: freedom of religion, freedom of speech, freedom of assembly and association, and freedom of the press. These are not absolute freedoms. Each of those freedoms is limited, to some extent. For example, my freedom of speech is limited by laws dealing with libel and defamation. My freedom of assembly is restricted by that part of the Criminal Code which deals with unlawful assembly. While I am talking about freedom of assembly, I regret that the word "peaceable" was not inserted in that particular context.

Now, because these freedoms which are enumerated are not absolutes, and because they have the normative effect of a declaration—a "beacon", I believe, was the term used in this house—I would respectfully suggest that this listing of freedoms might have sounded far better as a declaration if it had specified an additional freedom, namely the freedom to work.

It is also clear, honourable senators, that Parliament can dilute any of these rights and freedoms that are listed in clause 1. Parliament can abrogate them because its power is supreme, subject to certain limitations, as we all know, such as the powers conferred on provincial legislatures, the present inability of this Parliament to amend all parts of the Constitution, guarantee of two languages, the obligation to meet annually and to dissolve every five years, and so on. But it is clear to me, as a lay person, that Parliament can take away or further curtail any one or more of the rights and freedoms by another bill, just as it has the power to pass the present and mainly declaratory statute.

In order to keep this part of the perspective clear, namely, what the bill is not, I must place on the record these two additional observations. First, I want to read section 18 of the Interpretation Act, which applies to this bill:

> Every act shall be so construed as to reserve to Parliament the power of repealing or amending it and of revoking, restricting or modifying any power, privilege or advantage thereby vested in or granted to any person, whenever such repeal, amendment, revocation, restriction or modification is deemed by Parliament to be required for the public good.

Secondly, paragraph 5 of clause 6, to be found on page 4 of the bill, does provide the Government and Parliament with a very useful instrument to kind of write themselves out of the binding strictures—if there are any really effectively binding—of the proposed new statute. It is true that is for emergency purposes only, but the statutory provisions are there for all to read.

I want to note at this stage that in committee the minister stated or strongly intimated—and I believe all honourable senators were pleased to hear it—that the Government intends to revise the War Measures Act probably at the next session of Parliament.

Hon. Mr. Roebuck: Only to consider it.

Hon. Mr. Wall: All right, only to consider it. I want to place that on the record in that context.

Now, having established that no new rights or new freedoms are being provided by clause 1 of the bill, it is well, I repeat, to keep in proper perspective, and to compare, if you will, clause 2 of the bill which deals with the construction and the application of every law of Canada so as not to abrogate, abridge, infringe, or authorize the abrogation, abridgement or infringement of, any of the already existing rights and freedoms herein recognized and declared, and they are specified in paragraphs (a) to (g) of clause 1—it is well for us to compare these with section 15 of the Interpretation Act, plus the jurisprudence which has been built upon it. Section 15 of the act reads:

> 15. Every act and every provision and enactment thereof, shall be deemed remedial, whether its immediate purport is to direct the doing of any thing that Parliament deems to be for the public good, or to prevent or punish the doing of any thing that it deems contrary to the public good; and shall accordingly receive such fair, large and liberal construction and interpretation as will best ensure the attainment of the object of the act and of such provision or enactment, according to its true intent, meaning and spirit.

Now clause 2 of the bill, subsections (a), (b), (c), (d), (e), (f) and (g) simply spell out what it is that the federal acts are to be construed not to transgress, and what these paragraphs do is simply clarify by greater specification what is already included in section 15 of the Interpretation Act. Time alone, honourable senators, will tell how effective this additional specification will be.

Nothing in these specifications is new. I venture to make the observation that, acting under section 15 of the Interpretation Act, no court would ever construe a federal act in such a way as to deny detained persons any one of these rights: arbitrary detention, imprisonment or exile. Incidentally, in that context I wonder how we could exile a person if nobody wanted to receive him. Where

would we send him? To Antarctica? I continue the recital of these rights: the imposition of cruel or unusual treatment or punishment; to deprive a person who has been arrested or detained of the right to be informed promptly of the reason for his arrest or detention, and so on.

Then, honourable senators, one last right, which was inserted by way of an amendment, simply says that a Canadian, if he cannot understand the language in which the proceedings of a tribunal or board is being conducted has a right to have the assistance of an interpreter. I remember a very dear friend of mine, who served as an interpreter in the courts many years ago when I was very young, told me that the courts always insisted that there be an interpreter in cases where the defendant does not know the language of the proceedings. For what else, honourable senators, does established jurisprudence do now than interpret federal statutes in this remedial sense, with the judges instructed by this section to give the federal laws such fair, large, and liberal construction and interpretation as will best meet the general public good?

Having said this, I wish to say that with the many important amendments that have been added to the present bill, and with the declaratory preamble to which I personally would have preferred to add a few words to make clear that the rights and freedoms spelled out in clause 1 are inherent, inalienable and God-given—for greater clarity and for more dramatic declaratory effect and to make more abundantly clear that these rights and freedoms exist prior to the state —I believe that the bill as we now have it is considerably better than it was in its original stages and that it will have an educational and normative effect of considerable value. Perhaps its benefits will be greater than we presently can visualize, and it may well become a kind of beacon in the years that lie ahead.

Certainly, I agree with the Honourable the Minister of Justice that it will have the effect of making all legislators, all members of the executive and all administrators at the federal level keep a watchful eye on the sections of this very important act as they draft, amend or administer legislation. I agree most heartily with the minister, who told us in committee that he believed that no subsequent Parliament would dare to introduce legislation which would expressly operate notwithstanding the Canadian Bill of Rights, as provided in the opening lines of clause 2, for then there would be a public awareness and a consciousness and an ensuing public and legislative or parliamentary debate into which no sensible Government would wish to enter.

I believe that this very important legislation will do much, and I commend and compliment the Right Honourable the Prime Minister for initiating, sponsoring and guiding this bill through the other house. My compliments extend to all who have helped to strengthen the bill and eventually pass it in this form, and especially I would like to express my appreciation to the honourable the minister who appeared before our committee. My congratulations also go to my colleague from Winnipeg South (Hon. Mr. Thorvaldson) who sponsored this bill with such eloquent fervour and conviction.

There are some aspects of this legislation which might be further refined and strengthened, and I humbly and respectfully suggest that perhaps at some future session the Senate might well undertake this very interesting and worth-while task. I am expressing a hope which may prove to be quite realistic.

There are some who feel, and I confess that I belong to this school of thought, that with more study perhaps a way could have been found to make this an act to amend the British North America Act with respect to the recognition and protection of human rights and fundamental freedoms. This course we could have taken by virtue of our powers for amending the Constitution with respect to federal matters alone. I point out that clause 5(3) of this bill says that Part I will extend only to matters coming within the legislative authority of the Parliament of Canada.

In this context it would have been possible for us to have passed an act to amend the Constitution with respect to these rights and freedoms. But I recognize too that this may have been prevented further pending—and I hope immediately pending—developments regarding the projected constitutional conference and probable federal-provincial bill of rights.

This bill gives an interesting lead to the provinces, some of which have led the federal Government in this respect. This lead, or substantiation of the lead, that has already been initiated by some provinces with respect to a bill of rights may bring fruitful results in a joint bill of rights imbedded in the Constitution, or in additional provinces passing their own bill of rights.

On balance, recognizing what the bill does do and what it does not do, I believe all honourable senators heartily support this most important legislative project as a significant declaration and formulation of rights which Canadians everywhere and at all times should enjoy. We all hope that it will do what the average Canadian has been led to believe it can do for him, slowly and evermore surely,

but always in the direction of the better safeguarding, and the evermore effective refinement of our democratic freedoms, rights and their attendant societal obligations.

In many ways this is a memorable day, and we are all pleased that we have been privileged to participate in making our humble contribution to it.

(Translation):

Hon. Cyrille Vaillancourt: Honourable senators, as a layman, may I be allowed to express my opinion on this question, in the light of the discussion and arguments exchanged concerning this bill?

This morning in committee, the gentleman from Huron-Perth (Hon. Mr. Golding) addressed the following question to the Minister of Justice: "Are there any rights in this act which are not protected by ordinary laws?" The minister's answer was in the negative.

Did not our colleague from Mille Isles (Hon. Mr. Monette) claim that it was nothing more than a consolidation?

Hon. Mr. Monette: I did say that it was a consolidation of the human rights recognized in the bill and that those rights should be preserved. A machinery is thereby set up to allow Parliament to watch over these rights constantly so that none of them are lost.

Hon. Mr. Vaillancourt: That is it. Yesterday, the senator from Toronto-Trinity (Hon. Mr. Roebuck) told us that before any laws ages ago by God himself, to Moses, on the mountain, the charter of human duties. The senator from Fredericton (Hon. Mrs. Fergusson) also mentioned that this bill should have included the words "human duties". If every one observed the great charter of appeared to protect human rights and liberties, a first charter had been handed down human duties there might perhaps be no necessity for a bill of human rights, because each one of us, knowing his duty, would respect his neighbours' rights, and the world would become a much better place in which to live. Unfortunately, when such respect is lacking and when each man claims to have rights but no duties, there is no law in the whole world that could make men behave with righteousness.

Well, it seems to me that the first thing to do would have been to draw up a bill of duties to complement the bill of rights. That would have made the world of tomorrow better than that of today.

Hon. Mr. Monette: Would the honourable gentleman allow me a question? Did I understand him to say that before passing laws to regulate the conduct of a country's citizens, their rights and obligations, we should have waited until all men who are descended from Adam—and, as such, imperfect—had become perfect enough to recognize those rights too?

Hon. Mr. Vaillancourt: That is exactly what we should do. Man should be told of his duties and then of his rights. But if nobody is willing to fulfil his duty, what is going to happen? One flows from the other; they cannot be separated.

I intended to make a digression but as the senator from Blaine-Lake (Hon. Mr. Horner) is not here, I shall abstain.

(Text):

Hon. William H. Golding: Honourable senators, I do not intend to detain the house more than a few minutes.

First, may I say with all frankness that this is one bill about which I cannot work up any enthusiasm. I have long been of the opinion that it is simply a declaration of the rights and freedoms that we already have and have enjoyed throughout our lifetime. As far as I am personally concerned, I know of no additional rights or freedoms that I require that I do not already have and enjoy.

May I say that I admire the frankness and honesty of the minister in discussing this problem with us this morning. I had some questions to ask of him, and he gave straightforward answers. I expressed my own opinion that the bill gave us no new rights, no new freedoms, that it was a declaration of what we already have.

I put this simple question to the minister: What additional rights or freedoms will we have under this bill that we do not already have? His answer was straightforward: None. That is the answer I expected him to give me, and it confirmed my suspicions in the matter, that we have the same rights and freedoms now, before the bill is passed, that we shall have after it is passed.

The committee of the House of Commons held lengthy discussions on this bill and I have read a considerable portion of their reports. The bill received unanimous approval in the house on second reading, and throughout the committee proceedings the principle of the bill seemed to meet with general approval but its details were questioned by a good many witnesses. Nevertheless, the bill will be enacted and we shall have to wait and see how it operates, whether for our benefit or otherwise, but I imagine the courts will be called upon to determine certain things contained in it.

I have nothing more to say and I thank honourable members for having listened to my few remarks.

Hon. Gunnar S. Thorvaldson: Honourable senators, I wish to take this opportunity to make a few brief comments. In the first place, I think in all fairness we should acknowledge the validity of the criticism made by some honourable members as to the late arrival of this bill in the Senate. This is indeed unfortunate, for it would have been preferable had we been able to devote more time to it. As I said earlier this afternoon, the bill received second reading in the House of Commons on July 2 and I was certainly hopeful all along that it would be sent here without too much delay.

During the last ten to fifteen years we have all read a great deal about the subject-matter of human rights and fundamental freedoms, but for myself I have never seen a finer document on the subject than the report of the Senate's Special Committee of 1950 on Human Rights and Fundamental Freedoms. That document contained all the common sense and idealism in regard to this subject that one could wish for. I do not feel that enough credit has been given to the report of that committee, and particularly to the quality of the work and the tremendous energy and wisdom put into it by its chairman, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck). It is one of my regrets that we did not have more time to devote to this general subject-matter and especially that we did not have an opportunity in committee to read and reread the report of that special committee. Many of us have read newspaper accounts of the evidence given before the House of Commons committee on this bill and we have read the verbatim reports of the committee discussions, but I do want to emphasize that practically all phases of the subject-matter were covered thoroughly in the 1950 Senate Committee's report to which I have referred. If the committee of the House of Commons had only accepted as its witness the honourable senator from Toronto-Trinity instead of most of the other witnesses that came before it, this bill would have been sent over here much sooner than it was.

Hon. Mr. Macdonald: And probably in much better form.

Hon. Mr. Thorvaldson: I agree; and I want to repeat that we just do not recognize to the full what a great champion of human rights and fundamental freedoms we have in this house in the honourable senator to whom I have just referred.

I want to thank the honourable junior senator from Winnipeg (Hon. Mr. Wall) for the remarks he made in regard to the work of our Prime Minister in respect to this subject-matter, beginning as it did many years ago and culminating with the third reading of this bill in the Canadian Senate today. And so, once again, I want to pay tribute—and I think I am speaking on behalf of all honourable senators—to the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck) for the outstanding work he has done in this important cause down through the years.

In conclusion, may I say that I hope we are all aware that the passing of this bill by the Senate today is a landmark in the legislative history of Canada.

The Hon. the Speaker: Honourable senators, the question is on the motion of the Honourable Senator Thorvaldson, seconded by the Honourable Senator Pearson, that this bill be now read the third time. Is it your pleasure to adopt the motion?

Hon. Mr. Golding: On division.

The Hon. the Speaker: Did I hear "On division"?

Hon. Mr. Golding: On division.

Motion agreed to and bill read third time and passed on division.

ADJOURNMENT

Hon. W. M. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until tomorrow, Saturday, August 6, 1960, at 3 o'clock in the afternoon.

Motion agreed to.

JUDGES BILL

SECOND READING

Hon. John M. MacDonald moved the second reading of Bill C-89, to amend the Judges Act.

He said: Honourable senators, this bill is a very short one and will take only a few moments to explain. Its purpose is to authorize salary for one additional judge of the Supreme Court of Judicature of Prince Edward Island, and thereby increase the number of judges from three to four. Apparently the necessary legislation was passed by the Legislature of that province a good many years ago. For some time the situation has been somewhat awkward in that province, in that appeals from a single judge could be heard by only two judges, and if for any reason one of them was unable to act the appeal had to be heard by a single judge. The situation was perhaps aggravated in 1956, when an amendment was passed to the Supreme Court Act which in effect meant that appeals without special leave were limited to cases where the amount involved was over $10,000.

I understand that the province also proposes to abolish the position of Probate Judge and to transfer probate jurisdiction to the Supreme Court.

The additional appointment provided for by this bill, I understand, has been requested for some time by the Law Society of Prince Edward Island and has been formally requested by the Government of that province.

Motion agreed to and bill read second time.

THIRD READING

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

Hon. Mr. MacDonald: I move the third reading now.

Motion agreed to and bill read third time and passed.

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, that completes all of the legislation we expect to receive at this session of Parliament. The only business we shall have to deal with before prorogation will be interim supply, or perhaps final supply, and supplementary estimates. I have made all possible inquiries and I feel we shall be on the safe side if the house adjourns now, to resume tomorrow afternoon at 3 o'clock.

Hon. Mr. Macdonald: Before the house adjourns, perhaps I should call the attention of the leader to the fact that there are still four inquiries on the Order Paper yet to be answered. It might be possible to obtain the answers to those inquiries.

Hon. Mr. Aseltine: I was referring to legislation only. These inquiries have been forwarded to the appropriate quarters. I am not sure how long it will take to get the answers, but if it should happen that the answers are not obtainable before Parliament prorogues I shall see that they are forwarded at the earliest possible moment thereafter to the honourable senators who asked the questions.

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Saturday, August 6, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Copy of an exchange of notes with respect to the Canadian Government's proposals regarding the provision of wheat flour for emergency stockpiling in the United Kingdom, dated 5th August, 1960, between the Government of the United Kingdom and the Government of Canada. (English and French texts).

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, with leave, I move that when the Senate adjourns today it stand adjourned until Monday next, August 8, 1960, at 8 o'clock in the evening.

Hon. W. Ross Macdonald: Has the honourable Leader of the Government (Hon. Mr. Aseltine) given up all hope of prorogation this evening?

Hon. Mr. Aseltine: In answer to the inquiry of the honourable Leader of the Opposition (Hon. Mr. Macdonald) I should like to say that I remained here in the building last night until after the proceedings of the other place were concluded, at which time I thought there was a possibility of prorogation this evening, but when I arrived here at 9 o'clock this morning and made further inquiries I was told, on the best authority that I was able to obtain, that there is no hope of prorogation today and we shall not receive either an interim or the final supply bill today. There is no alternative, therefore, but to adjourn for the weekend. I regret that under the circumstances that is the only report I can make now.

Motion agreed to.

NOVA SCOTIA

FEDERAL ASSISTANCE TO REDUCE COSTS OF ELECTRICAL ENERGY

Hon. Wishart McL. Robertson, pursuant to notice, asked the honourable Leader of the Government in the Senate (Hon. Mr. Aseltine) to make a statement on the progress that is being made under the special program of assistance by the federal Government to reduce the costs of electrical energy to industry in the province of Nova Scotia.

Hon. W. M. Aseltine: Honourable senators, I have the information requested, which I ask leave to place on *Hansard*:

Statement of payments made to August 1, 1960, under authority of The Atlantic Provinces Power Development Act to the Province of Nova Scotia

	Thermal Plants	Transmission Facilities	Coal Subventions	Total
Fiscal year 1958-59	—	—	$ 1,130,776.25	$ 1,130,776.25
Fiscal year 1959-60	2,489,972.87	2,962,643.92	1,025,966.90	6,478,583.69
Fiscal year 1960-61 (to Aug. 1-60 incl.)	98,547.70	277,989.67	143,425.82	519,963.19
	$ 2,588,520.57	$ 3,240,633.59	$ 2,300,168.97	$ 8,129,323.13

Hon. Mr. Robertson: I thank my honourable friend the Leader of the Government (Hon. Mr. Aseltine) for his prompt answer to my inquiry.

BANK OF CANADA

OFFICE PREMISES

Hon. A. Neil McLean inquired of the Government, pursuant to notice:

If a Crown company, namely, the Bank of Canada, has adopted a policy of erecting office buildings far beyond their needs and retaining real estate agents to rent many thousands of feet of office space in competition with private investors in office buildings.

Hon. W. M. Aseltine: The answer to the honourable gentleman's inquiry is as follows:

The Bank of Canada requires special facilities in the form of vaults which make it impossible to rent suitable premises.

The bank's premises also need to be located reasonably close to the main offices of chartered banks and financial houses. Land values in central locations are such that it would not be economic for the bank to erect a building of one or two storeys which would be sufficient only to meet the bank's present requirements as well as those of the Industrial Development Bank. The Board of

Directors of the bank has therefore decided where appropriate to erect a building with a certain amount of rentable space to help carry the costs necessitated by the location and other special factors and to allow for future growth needs.

THE LATE RIGHT HONOURABLE ARTHUR MEIGHEN

TRIBUTES—ADDRESS ON THE SENATE PRINTED IN HANSARD AND MINUTES

Hon. Norman P. Lambert: Honourable senators, I ask the indulgence of honourable senators at this time to enable me to share in the distinguished tributes which were made here yesterday in memory of the late Right Honourable Arthur Meighen. Owing to a slight indisposition I was unable, with great regret, to take my seat in the house yesterday. My offering now will be brief and will assume mainly the form of a suggestion.

I had the privilege of sitting in this chamber for a great deal of the time that the late Right Honourable Arthur Meighen was leader here, and before that I had known him for many years. He was the last of a group of distinguished friends who graduated in the same year from the University of Toronto, with many of whom I also had very friendly relations although I was junior in years to most of them. Mr. Meighen's death marks the passing of that distinguished group, whose names I am sure would be known to most people here. While I could never have been rated as an intimate follower of his I always had a profound admiration of his talents, which were reflected so eloquently in the records of both houses of Parliament for 35 years.

The honourable senator from Gulf (Hon. Mr. Power) yesterday expressed warm and eloquent appreciation of Mr. Meighen's parliamentary record which, like his own, was established over a long period of distinguished service.

As was said by the honourable Leader of the Opposition (Hon. Mr. Macdonald), most of Mr. Meighen's speeches in Parliament and outside have been preserved in the volume entitled *Unrevised and Unrepented.* But, in in my opinion, there is one of what might be called his occasional addresses which was not included in that book and which was one of the most valuable contributions that he made during his career. It was an address on the Senate of Canada delivered before the Canadian Club in Montreal in 1937, and edited and reproduced for publication in the *Queen's Quarterly* magazine, of Kingston, in the summer of that same year.

Typed copies of that address have already been distributed through the Clerk of this house to many senators, but I am going to ask honourable senators to consent to having that address embodied in the Senate *Hansard* of today as a fitting memorial to one of our great leaders, and in addition as a service to our present and future members who from time to time may have need or occasion to consult it in connection with discussions relating to the status and functions of this branch of Parliament.

It is not too much to say that that address of Mr. Meighen represents the most classic and most authoritative statement upon the status and working operations of the Senate that can be found anywhere. One may conclude by saying it also suggests that the ten years that he spent as a leader in this chamber represented one of the most important and valuable periods in his long career of public service; a period which, in the interest of Canada, might well have been continued beyond the span of ten years.

With leave of the Senate, I move that the address of the Right Honourable Arthur Meighen on the Canadian Senate, made before the Canadian Club of Montreal, as it appeared in the *Queen's Quarterly,* Summer 1937, be printed as an Appendix to the *Debates of the Senate* and to the *Minutes of the Proceedings of the Senate* of this day and form part of the permanent records of this house.

Hon. John J. Connolly: Honourable senators, may I have the indulgence of the chamber for a few moments in connection with this motion?

I have been one who since my appointment to this chamber has been most interested in trying to fix in my own mind, and perhaps to help fix in the minds of some portion of the public, the place occupied by a second chamber in our parliamentary system. For instructional purposes my source material, and I think the source material of all of us who are bound to be interested in this field, is in the work of men who have performed in this theatre with distinction. Certainly the Right Honourable Arthur Meighen is foremost among them.

The motion by the honourable senior senator from Ottawa (Hon. Mr. Lambert) to place on the records of this house today a speech by the late Mr. Meighen is not only a fitting memorial to the work done here by Mr. Meighen, but it will provide an invaluable document for use in this honourable Senate. I would go further, and express my hope that today's *Hansard* may have wide circulation throughout the country.

Let us agree at once, the position of this chamber before public opinion is not what it should be. Perhaps that may be because of something that Mr. Meighen at one time

pointed out—a phrase which may indeed be contained in the address to which my honourable friend has referred—that this chamber is "not a theatre, but a workshop". That is what it must be, if it is to fulfil the function for which it was intended.

Honourable senators, I welcome more than I can say the proposal which has been made by the honourable senior senator from Ottawa.

Motion agreed to.

For text of address, see Appendix to today's Hansard, *pp. 1249-53.*

VISIT TO UPPER CHAMBERS IN EUROPE

Hon. John J. Connolly: Honourable senators, may I ask the indulgence of the house on this occasion to deal with a further matter? As you know, I have been out of the country for about five weeks, during which time I had a unique and interesting trip which I frankly confess was a holiday trip. It involved no business at any time.

During my tour I visited six Senate houses in four different countries. That may seem a remarkable statement. Let me explain. In the northwest corner of the Forum Romanum there are the remains of the old Senate house which has been described as and perhaps truly is, the Grandmother of Parliaments. It was the place where Cicero hurled his *quo usque* at Catiline. It was the place where mighty Caesar fell. It was the place to which Augustus came down from the Palatine just across the Sacra Via where indeed, he was born, to lay the foundation of an empire which lived for 500 years in the west and 1,500 years in the east.

But what is also interesting there is the Italian Senate in Rome, where I had the distinctive privilege of attending a sitting. The chamber had before it a motion to allow a debate on uprisings which had taken place in various parts of Italy over the previous weekend. The motion, which had come from the Left, was very strongly worded. However the President of the chamber, Mr. Speaker, ruled it was most important, particularly toward the end of the current session, that the estimates of the Department of Agriculture be dealt with. He declared the motion out of order and said the question could not be debated. The Left quietly stood up, bowed, and as quietly stole away—much as we would do in deference to you, Sir.

There is but one Senate building that I know of in France, and I had the opportunity of seeing it. As many senators may know, it is in the Luxembourg Palace. I came to the building unheralded, unsung, and certainly unannounced, on the day after the French national holiday. That chamber, like the Chamber of Deputies, was adjourned for the weekend. I was told there were no visitors allowed. However, I asked if it made any difference that a member of the Senate of Canada would like to see the building. It made all the difference in the world, and I was given a complete tour of this very fine chamber with its magnificant library, where the names of many distinguished men who sat there, such as Victor Hugo and others, are preserved on plaques on the desks where they did their work.

I was later shown through the chambers of the deputy leaders. Marie de Medicis, in her day, was responsible for the decoration of these rooms, and they are most magnificent.

Shortly after that I visited the Irish Senate in Dublin, on the day the Dáil debated and approved the proposal to send a detachment of troops to the Belgian Congo on behalf of the United Nations. The members of the Senate all agreed that it was another great day for the Irish. They said it was most fitting that such a contribution should be made by a nation like Ireland, peace-loving —in the official sense—a small nation, but one which has sent men and women to all parts of the world, a nation notably without imperialistic ambition. It was most interesting to hear the debate conducted there that day. The Irish chamber is much smaller than our own. Most of the membership is elective, although ten or eleven appointments are made by the President of the country. Its members speak in the same detached way as we for the most part do here.

Quite by accident I stumbled upon a Senate chamber called the House of Lords which was in use in Ireland at the time of Grattan's Parliament, before 1800, and has been preserved intact. It is in the building now occupied as headquarters by the Bank of Ireland, and is a most magnificent and beautifully proportioned room. They have two beautiful tapestries, protected by linen coverings. I greatly admired them, and when I asked what they depicted I was told that one portrayed the siege of Londonderry and the other, the Battle of the Boyne, whereupon I said, "You can re-cover them any time now."

The other Senate chamber I had an opportunity to visit was the British House of Lords, where through the kindness of the Lord Chancellor, Viscount Kilmuir, I was able to sit on the floor of the house with my wife just outside the bar. It was an exceedingly interesting day. It was the first time that the Earl of Home entered the house as Foreign Secretary. It was also the day that Lord Hailsham first sat in the House of Lords as Leader of the Government. It was also the day upon which the Lords debated the

new Constitution to be given Nigeria. It brought to my mind the reports of the debates of 1866 or 1867 when the Lords considered a similar measure in respect of this country. During the course of the debate the Leader of the Opposition, Viscount Alexander of Hillsborough, and indeed Lord Rea, Leader of the Liberals, commended the Government most highly on its appointment of the Earl of Home as Foreign Secretary. They referred to his magnificent qualities of mind and heart and to his capacity for his new and onerous post. I think, however, it was Lord Rea who produced the *bon mot* of the day when he said that the Lords were saying *"ave atque vale"*—*"ave"* to the new leader of the Lords and *"vale"* to the old, which, as he said, might be loosely translated "Hailsham and farewell".

The Senate adjourned until Monday, August 8, 1960, at 8 p.m.

APPENDIX

(*See pp. 1246-7*)

THE CANADIAN SENATE

By

THE RIGHT HONOURABLE ARTHUR MEIGHEN

(Reprinted from the *Queen's Quarterly,* Summer 1937, vol. 44, pp. 152-163, being a revision of a speech Mr. Meighen had made before the Canadian Club in Montreal.)

There are a few countries—and no major country—to which there is not a second chamber. They are all constituted somewhat differently, but the reason for each is based on the same considerations. In England, in France, in Germany, and in the United States, in Italy and even in Spain, the restraint of a second chamber has been deemed wise by those who founded the constitutions of those respective nations.

In this Dominion, away back beyond the period of its birth as a Confederation, our provinces had second chambers known as Legislative Councils. These were thought necessary because the responsibilities of those individual provinces were then akin to the responsibilities of nations. After we became one, the Legislative Councils of the several provinces fell away until now there is but one left—that in the Province of Quebec. The explanation is first that, after the surrender of the larger section of their sovereignties, questions that still remained for the deliberations of Legislative Assemblies were such as could be dealt with by one body alone; but more importantly for this reason—that the limited functions of these Assemblies with the residue of powers now remaining were not so great as to fail to afford quite ample time for their careful and mature consideration and discharge.

In this Dominion it was the Fathers of Confederation who saw to it that there should be an upper house, and they defined its place briefly but clearly at the Conference of Quebec which was held two years before Confederation was accomplished. It was there determined that this chamber should be established, that it should be a nominative chamber, and that its composition should be based upon the territorial principle and should not be in proportion to population.

There are criticisms and always will be that the nominative system, with appointments exercisable by the Crown on the advice of the Government of the day, is foreign to the spirit of democracy and to the genius of our people. In that connection it is well to recall that for eleven years prior to Confederation the nominative system had been abolished and the elective system adopted in the Legislative Council of Upper Canada; therefore, it was after eleven years' experience of the nominative system that the latter was chosen by the great men of that time. Later will be discussed the propriety of that choice and the unwisdom of changing it now.

It will be kept in mind that the composition of the Senate was put—on a motion, it so happened, of a statesman from New Brunswick—wholly on the basis of territory; the three Maritime Provinces who were coming in then to obtain twenty-four of the seventy-two seats; Lower Canada, Quebec, to have twenty-four, and Ontario twenty-four. Later the West was added and, irrespective of population, the West was given twenty-four seats as well. This is emphasized so that it may be clear that there were special responsibilities attaching to that Joint Parliamentary Trustee, called the Senate. Our Maritime Provinces declined to enter Confederation if the control of Canada's parliament was to be wholly in the hands of a majority, because under those circumstances they felt their views would be swept out of effect by the larger populations of our mid-continent areas. Lower Canada also insisted on the territorial principle, and that principle is still the basis of the Senate's composition. From this it is clear that there devolves upon the Upper House a duty of having special and peculiar regard to minority and sectional rights in Canada, to see that the majority exercising its full force in the representative chamber, where population controls, is not permitted to ride over the proper rights and privileges of minorities. Or to put the point in another way: the Senate has the particular duty of standing guard over the Constitution as it applies to all sections of Canada, of making certain that provincial rights are maintained inviolate, that the relationship which the British North America Act established between the provinces on the one hand and the Dominion on

the other hand is respected, whatever may be for the time being the arbitrary action of a bare majority.

When one passes from this phase, there is no special function in the sphere of legislation which the Senate possesses which is not equally shared by the Commons of Canada.

Sir George Ross tried to impress, in a book published twenty years ago, that Senators were particularly vested with an obligation to hold inviolate responsible government in the Dominion—inviolate as against Imperial domination. There is very little substance in such a claim, for the reason that when you have a battle won for nearly a hundred years, you will do better to consider it won and not be continually trying to win it over again. Neither the Senate nor the Commons has in practical affairs any very heavy obligation in respect of responsible government.

The Senate is not a representative chamber; its personnel does not spring directly from the spoken word of the people; yet it is as much a chamber of the people as is the House of Commons. Its members do not come from any special class or caste, as in some lands; they come from the ranks of the people; they have the popular sympathies and popular interests at heart. The Senate was constituted by the people through the Fathers of Confederation, and ratified by the vote of the country because, in the belief not just of a few but of this whole Dominion, it was in their interests that there should be a review of Commons legislation, with special protection of minority, sectional and territorial rights. Of all these delegated duties the Senate is the Trustee; most of them it shares with the Commons and has responsibility just as direct as has that House, and it should make it a duty hour by hour to live up to the full standards which were doubtless in the minds of the Fathers of Confederation and which today are as vital to Canada as they were at that time.

What are the limitations of the Senate?

There are those who say: "You should be very chary about reversing the will of the elective chamber; in fact, if you do so more than once or twice, you should prepare for your demise. You are not elected and, therefore, you have not the same rank and status as those who are elected." There probably was reason for not making the Upper House in this country elective. If it were so, then the Senate of Canada would become in large degree a reflection of the Lower Chamber, and it would be necessary for members so to conduct themselves, each in his own groove, so as to ensure, first of all, the favourable opinion of that special constituency from which the member comes, and secondly, the dependable co-operation and support of the party to which he belonged and does belong. If those considerations are to be in the minds of members of the Senate, they never can discharge properly the functions which are theirs, nor can the Senate in these circumstances be more than a mere replica of the Commons, and its performance will became a wasteful repetition of the debates and controversies which take place in the other chamber.

In a word, we might as well have two Houses of Commons, one of which would be redundant, as to have an elective Senate.

Some say there should be other reforms; for example, that members of the Senate should be chosen by different bodies. These ideas have been debated for many years, but beyond the suggestion that a limit of age might be applied, there is not any which has made very much appeal, or which did not carry within its compass a danger of detracting from the Senate's value in the discharge of those special powers, functions and duties for which that body was created.

If I were asked what the Senate should do in respect of measures; by what outstanding, clear and easily understood principles it should be guided, this would be the answer.

Where there is a mandate for legislation which comes before the Senate; where such legislation was clearly discussed and placed on the platform of the successful party in an election, then only in most exceptional circumstances should there be any attempt or desire on the part of the Upper House to refuse to implement a mandate by its concurring imprimatur. No one, however, who has thought the subject out can say under no circumstances should legislation coming to the Senate from the Commons, though clearly supported by a popular mandate in an election, fail of support in the Second Chamber. It has been plainly and tersely enunciated by Sir John Macdonald, by George Brown and by Maritime statesmen, as well as by Taché of Quebec, that the Senate's duty, or one of its duties is to see not only that wise legislation, having for its purpose nothing but the public good, is allowed, irrespective of mandate, to become law, but in certain conceivable events to see to it as well that the public of Canada, which may at one election have endorsed extraordinary proposals, has opportunity, if such proposals are of a particularly dangerous or revolutionary character, to think the subject over again; in a word, that the Senate may, under certain circumstances, be allowed to appeal from the electorate of yesterday to the electorate of tomorrow.

It may be asked whether there is any chance of such a contingency arising. Cast your eyes westward, where under the influence of drought and depression, and under the influence of other urgings not usually brought to bear on public matters, the Province of Alberta departed in the last provincial contest from long-tries and tested principles of finance, to embrace what is undoubtedly a mere mirage. If such a step were taken by this whole Dominion under similar circumstances, I wonder if a chance to think the subject over once more, and to make certain that the judgment of the electorate of Canada was a deliberate judgment and one to be sustained, should not as a bounden duty be granted. Such a contingency may not arise; but it never can be laid down as a rigid rule that even a mandate is universally obligatory upon the Upper Chamber or that it would be its duty in all circumstances to acquiesce blindly in any measure. It is enough to emphasize the fact that there is authority behind a popular mandate which the Senate never can ignore, and that only under very special circumstances should the chamber, even for purposes only of delay, fail to comply with an electoral judgment.

The great mass of legislation has, however, no relation to any special dictum of the people in an electoral contest at all. The great mass of legislation springs from circumstances of the hour. Something has to be done, in the judgment of the administration, and the administration works out its solution in such a manner as it deems fit, and submits that solution to Parliament. There is no question of a mandate at all in the case of at least ninety-eight per cent of the measures which come to either House. In respect of legislation of this kind, I would not go so far as to aver that the Senate should in all cases have no regard to the wishes of the Commons, but only to its own viewpoint. If it is a subject naturally within the purview of government, something to do with administration; if it is a reflection in a bill of what the Government should be and feels itself best suited to handle, and if it does not affect positive principle going to the root of our institution, then I would say that even though it was thought a better way might be devised, even though it was thought that on a balance of merits the Bill failed, it would be wiser for the Senate, if it can, after making such remedial amendments as will improve the measure, to allow the Government to have its way.

Many a time I have considered, and a majority in our house have agreed, that some problem demanding solution was being timidly shelved by referring it to a Royal Commission—a favoured practice of our time; whereas it would be much better if the matter were wrestled with by the Government itself and some method found by the administration to meet the necessities of the hour. Though in such a case much can be said for a reference back, the Senate does not take that course. It tries to put the legislation into the best form it can for giving effect to what the Government wants done; it tries to make it, as far as care can make it, practical, proper, and fair to all concerned, and then it lets the legislation pass.

As regards private measures, steps have been taken lately to encourage introduction of these in the Senate; indeed, great advantages are now obtained by their introduction there, and the effect is likely to be that private measures are largely going to be initiated in the Upper House. This course is, I think, in the public interest.

There may be reforms in other lines that could be effected. It would be of advantage if Ministers, whose seats are in the House of Commons—though they do not necessarily have to be—had access to the Senate, if desired, when legislation coming from the department of the Minister desiring access is under review in our Chamber. If entrance to the Upper Chamber were possible on the part of Ministers, it would add to the efficiency and harmonious working of our system of parliamentary government.

There is another development which has come in recent years. There are more bills both public and private being initiated in the Upper Chamber than at any time in the past. It is a too prevalent opinion that the proper place for initiation of legislation is in the Commons alone. Doubtless the larger volume must always be first submitted there, and especially legislation which is the outcome of an election mandate. But there is an increasing body of public business which has to be dealt with session by session, which does not go to even the fringe of politics, but has to do, say, with the regulation of commerce and finance; such things, for instance, as amendments to insurance laws; the establishment, for the first time in this Dominion, of shipping laws; and matters of that sort. Such subjects can be presented first to the Senate, and now most frequently are so presented. There is thus given to these measures a care which, on account of pressure of time and other complications, the Commons is incapable of giving. There is only one class of legislation which, in point of law, must be initiated in the lower chamber, and that is such as has to do with taxation of the people, or such as creates a charge on the Treasury. It is not certain,

indeed, that the limitation in law is even as restricted as it has been thus expressed. However, whether it be so circumscribed or not, that Senate would be very ill-advised which thought to encroach upon the territory which I have just defined. Far better that subjects which fall within the domain of taxation and charges upon the Treasury should have their initiation in the Commons, as is the case in England. Whether or not this is the law in Canada, it ought to be the practice in Canada.

The Senate is worthless if it becomes merely another Commons divided upon party lines and indulging in party debates such as are familiar in the Lower Chamber session after session. If the Senate ever permits itself to fulfil that function and that alone in the scheme of Confederation, then the sooner it is abolished the better. This pratice is not to be deprecated in the House of Commons. If we are going to have a democracy, the practice must continue. There have to be parties and party manoeuvres; there have to be conflicts and controversies innumerable in variety and wearisome in length. The great scheme of bringing sections together, letting each see the viewpoint of the other, has to be worked out in the representative chamber. Sometimes we are too impatient and critical of governments in allowing what seems inordinate time for discussion of public business. That discussion is good, but it is not the function of the Senate. Members of the Second Chamber must get away, lift their minds far from those hard-drawn lines of party, or they cannot serve their country. They have to make up their minds to give every government fair play and not to stand in the way of legislation unless they are convinced it must be defeated on its merits, and that the consequences of failure to defeat it would be serious; nor to stand stubbornly in the path of any Government unless it is brought there in their judgment to serve the ends of party by largess in this or some other part of the dominion rather than the true interests of the nation. The Senate, too, has to see to it that legislation which is initiated in the Upper House is put in the very best form possible so that it may be found to meet those real needs for which it was designed, and so that when it leaves its hands it is going to be an instrument of business and not merely a brooding place for litigation, to become, in due course, a paradise for lawyers. It is the business of the Senate as well, on receipt of a measure from the other chamber, first of all to study the principle behind it, and in every case to study it with a sympathetic mind, and, unless there is grave reason for resisting it, to devote its best efforts to improve the measure in its detail, and then to give that measure's passage its full support.

The task of the Senate in the practical working out of the business of Parliament is to see that every measure, when it passes from its hands, is a place of legislation well done. To this end our Chamber sits but a short time each day. Rarely does it sit throughout the period fixed for both Houses. It adjourns when its work is done so far as concerns the recording and explaining of decisions arrived at, and repairs to its committees, and mainly to two major committees, the one presided over by the Rt. Hon. George P. Graham and the other by Senator Frank Black of New Brunswick, for detailed study of bills. This study and review it grinds away at day by day for several hours, and often into the night. Its labours include the rearrangement, very often the recasting, and nearly always the re-expressing of Bills and resolutions—the former sometimes of enormous dimensions.

It is before these committees that the public is heard. Hearing the public—that is, all interested from any angle in the measure under review—is only one function of the Senate, but a very necessary and important function. If it makes itself a debating society, this duty, so vital if our work is to be well done, could never be discharged. It is our part to make sure that conflicting interests from every end of this country have an equal hearing, so that everyone concerned has opportunity to express his view and tell us that this or that provision is not going to work, and why. Thus, all contentions and all arguments are advanced before a bill takes its final form. This system has been developed very successfully with the full co-operation of both sides of the house, because there still are sides, though they do not stand out very strongly. This is the service the Senate has tried to render, and on this record and this general scheme of procedure it is best discharging its duty to the people of our country.

There is between the place each House should occupy in Canada a distinction fundamental and imperative. The House of Commons is and must be the forum of debate. It must be there that champions of conflicting policies meet and struggle and decide their issue. There is the arena where young ambition goes; there he enters the lists and flashes his sword in battle with his peers; it is there that leaders of public opinion, and those who aspire to lead, mount the rostrum and brave the storm, the hustle and the hurricane, the arrows of a hundred foes in front, and the scowls of critics behind; there they press on in the measure of their talents and their courage to the glittering prizes of our public life. The House of Commons is the

place where West and East each finds out what the other wants; where races blend their thinking; where classes learn, or ought to learn, by contact and conflict, that they are all of the same clay and need pretty much the same laws. It is the melting pot of the nation.

The Senate has a more prosaic task. Its duty is to see that great principles upon which the dominion has reposed are carefully reflected in its Statutes, to design legislation so as to meet the realities of business, to review and temper proposals of the other house so as not unnecessarily to discourage enterprise or restrict the area of employment; to oppose the ravages of partisanship from whatever source they come, and at least to give public opinion time and opportunity to be deliberate and to be understood; to be governed not so much by emotional appeal or fleeting spasms of popular fancy, but to listen to the accountant, the operator, the employer, the employee and the unemployed, and to make sure that legislation when finally passed will work with fairness and facility. The Second Chamber should be a workshop and not a theatre. For this function the Senate was created, and this function it must with thoroughness and fearlessness perform.

There are things, though, which it cannot do. Some time ago a prominent and popular Canadian, a man of opposite political association to myself, said: "I am thankful in these days for the Senate! No matter what wild and extreme radicalism may sweep the country, the Senate will stand firm; it will save the ship." This surely is worth saying and remembering:—The forces of wild and extreme radicalism must be met right out among the ranks of our people, in their houses and meeting places—there the power of reason and common sense must be applied, the lesson of long experience must be taught, or nothing will save the ship. Surely we have learned from tragedies in other lands that the tide of a mad, militant and persistent majority never can be stemmed. It must not become a majority. If in this country the trade of politicians is to be what has been too often, to fatten on the fruits of class hatred, class envy, class animosity, to reap a harvest in votes by fanning these dangerous fires, then do not depend on the Senate or anything else to hold in place the foundations of democracy, because it may be too late. There are those who believe that dire things can happen even in the presence of fair and equitable laws. It certainly is not too much to say that they can more easily take place when territory is large and the distances are great, when the population derives from a multitude of races and when the forces of sanity and industry are selfishly indifferent and at the same time divided.

What the Senate can do is to devote its energy within its own sphere to making laws practical and sensible, to give the best possible chance to workers and especially to the humblest workers, to encourage the upward climber and to attach a wholesome penalty to voluntary idleness, to remember always that there is nothing so vital to the common weal as security to life and property, and to offer no countenance to dishonesty and confiscation.

THE SENATE

Monday, August 8, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Copy of the Canadian edition of the Report of the Commonwealth Education Conference, held at Oxford, England, July 15 to 28, 1959. (English and French texts).

The Senate adjourned until tomorrow at 3 p.m.

THE SENATE

Tuesday, August 9, 1960

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

Prayers.

DOCUMENT TABLED

Hon. W. M. Aseltine tabled:

Further Supplementary Estimates (3) for the fiscal year ending March 31, 1961. (English and French texts).

BUSINESS OF THE SENATE

On the motion to adjourn:

Hon. Mr. Aseltine: Honourable senators will remember that I told the house on Saturday last that the full legislative program for this session had been completed and disposed of in the Senate, and that the only remaining business would be supply—either an interim supply bill as well as the final appropriation bill or the final appropriation bill alone. Yesterday I thought that perhaps we would receive one or other of those bills today, but I am now obliged to inform the house that there is no likelihood of this. However, it is hoped we shall have information late tonight and that tomorrow we shall know definitely just when an appropriation bill will be before us.

Honourable senators, in the circumstances I am obliged to move that the Senate do now adjourn.

Motion agreed to.

The Senate adjourned until tomorrow at 3 p.m.

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THE SENATE

Wednesday, August 10, 1960

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

Prayers.

DIVORCE

BILLS PASSED BY COMMONS WITHOUT AMENDMENT

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons to return certain divorce bills and to acquaint the Senate that these bills had been passed by the Commons without amendment.

Hon. W. Ross Macdonald: Honourable senators, may I be permitted to say a word at this time? I regret that the chairman of the Senate Standing Commitee on Divorce, the honourable senator from Toronto-Trinity (Hon. Mr. Roebuck), is not present to hear this announcement. I am sure that he and all the other faithful members of the committee will be pleased to know that these bills have been passed by the House of Commons.

Hon. Mr. Monette: After long consideration.

Hon. Mr. Macdonald: I do not know how many of the bills were given lengthy consideration, but they have all been before that house for some time. I am aware of the fact that the chairman and members of the committee which dealt with the matter gave careful consideration to every application for divorce and in each instance it was only after mature consideration that a decision was reached to recommend or refuse the passage of a bill.

I am sure I can say on behalf of the honourable chairman of the Senate Committee on Divorce (Hon. Mr. Roebuck) that he appreciates the support given him by the members of the committee. On behalf of the Senate, may I say that we are pleased that their efforts have not been abortive.

DOCUMENTS TABLED

Hon. W. M. Aseltine tabled:

Ordinances of the Northwest Territories, assented to on July 16, 1960, as required by section 15 of the Northwest Territories Act, Chapter 331, R.S. 1952.

Annual Report of the Unemployment Insurance Advisory Committee for the fiscal year ended March 31, 1960, pursuant to section 90 of the Unemployment Insurance Act, Chapter 50 of the Statutes of 1955. (English text).

BUSINESS OF THE SENATE

Hon. Mr. Aseltine: Honourable senators, I think I can fittingly quote the old saying:

Hope springs eternal in the human breast.

There is every hope that the appropriation bill will reach us early this evening. That is the information which I received just a few moments before entering the chamber. Under these circumstances, I move that the Senate do now adjourn during pleasure, to reassemble at the call of the bell, at approximately 8 o'clock this evening.

Motion agreed to.

The Senate adjourned during pleasure.

At 8.15 p.m. the sitting was resumed.

Hon. Mr. Aseltine: Honourable senators, I would like to inform you that we definitely shall receive the appropriation bill this evening—I hope within a short time. I would ask honourable senators to remain close at hand so that we may deal with the bill promptly when it arrives. In view of the fact that there will be only a limited number of printed copies of the bill available, I would suggest that honourable members bring with them into the house their copies of the supplementary estimates that were tabled and distributed some two or three weeks ago, and the further supplementary estimates that were tabled and distributed yesterday. I might add that we expect to receive the appropriation bill momentarily, perhaps within fifteen or twenty minutes.

The Senate adjourned during pleasure.

At 9.20 p.m. the sitting was resumed.

APPROPRIATION BILL No. 6

FIRST READING

The Hon. the Speaker informed the Senate that a message had been received from the House of Commons with Bill C-90, for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

Bill read first time.

SECOND READING

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

Hon. W. M. Aseltine: I move that the bill be read the second time now.

Honourable senators, this bill, when it is passed, will be Appropriation Act No. 6, 1960. Previous appropriation acts passed during the session were: Appropriation Act No. 1, which granted full supply for the full

supplementary estimates 1959-60. Appropriation Act No. 2, which granted interim supply for the months of April and May, in the amount of $603,488,902.52. Appropriation Act No. 3, which granted full supply for final supplementary estimates of 1959-60. Appropriation Act No. 4, which granted interim supply for the months of June and July, based on both main and supplementary estimates, in the sum of $600,946,640.92. Appropriation Act No. 5, which granted supply for further supplementary estimates for 1960-61 in connection with Chilean relief, in the sum of $1,600,000. If those items are added together it will be found that we have already voted for 1960-61 $1,206,035,543.44.

Appropriation Bill No. 6, now before us, will grant the balance of the main estimates for 1960-61, as reduced in the other place, amounting to $2,334,958,326.56, particulars of which will be found in Schedule A to the bill. It will also grant $10 million, being the balance of the supplementary estimates of $15 million that were brought before us in Appropriation Act No. 4, which included $5 million of that amount. Then the bill votes the whole of further supplementary estimates, No. 2, in the sum of $65,025,485. These items have been in the hands of honourable senators for quite some time and will be found in Schedule C to the bill. Finally, the bill votes further supplementary estimates No. 3, for $43 million, which I shall explain a little later.

That makes the total amount to be voted by this bill $2,452,983,811.56, and when this bill has been passed the grand total of estimates and supplementary estimates voted to date will be $3,659,019,355 even.

Before proceeding further I should like to say that this bill is in the same form as the final appropriation bill we passed last session, and it gives more or less detailed information with respect to all the items.

Also included in the bill is authority to borrow an additional $500 million, which, in addition to the $1 billion which the Governor in Council was authorized to borrow in the first interim bill, makes the total amount the same as last year, namely, $1,500 million.

Every year the supply bills contain new authority to borrow money for public works and general purposes of government by the issue of Canada Savings and other bonds and treasury bills. Authority granted by Parliament in recent years for these purposes was as follows:

1955-56, $1 billion
1956-57, $1.5 billion
1957-58, $1 billion
1958-59, $2 billion
1959-60, $1.5 billion

Honourable senators may also want some information as to the total statutory estimates and the total amount to be voted for the whole year. The 1960-61 estimates, as reduced in the other house, including budgetary expenditures, old age security payments and loans, is as follows.

The main estimates total $6,428,859,635. Then there are the supplementary estimates of $15 million, which I mentioned a short time ago, of which $5 million has already been voted, leaving a balance of $10 million. Further supplementary estimates, No. 1, in connection with Chilean relief, amounted to $1,600,000. Further supplementary estimates, No. 2, which were distributed some time ago, were for $65,025,485, and further supplementary estimates, No. 3, totalled $43 million. This makes a grand total of $6,553,485,120, of which $2,894,465,765 is statutory and does not have to be voted.

The remainder has to be voted, and is made up as follows: Main estimates, $3,534,393,870, and the supplementary estimates which I have mentioned—$15 million, $1,600,000, $65,025,485, and $43 million—making a total of $3,659,019,355. The last figure is the total amount to be voted in this fiscal year.

Honourable senators, before I conclude my remarks I should perhaps mention a few of the larger supplementary estimates. On page 2 of the supplementary estimates No. 2 honourable senators will see Vote 511, which has to do with the purchase of flour to be given to the United Nations Relief and Works Agency for Palestine Refugees in the Near East, $1,500,000. I also call attention to Vote 513, which has to do with the purchase and transfer of wheat flour to assist in the establishment of strategic stock piles of food supplies in member states of the North Atlantic Treaty Organization, subject to such terms and conditions as the Governor in Council prescribes, $6 million.

Vote 514 is to reimburse the Agricultural Commodities Stabilization Account for canned pork donated to international relief agencies, in the sum of $2,703,559.

The biggest item in these further supplementary estimates No. 2 is the sum of $25 million to be voted, subject to the approval of the Treasury Board, for the payment of salaries, wages, and other paylist charges. I understand this has to do with the salaries of civil servants.

Vote 544, under the Department of Public Works, covers the expenditure of $4,570,000 for the purchase of and alterations to the United States Embassy building in London

England. That is at the bottom of page 6. There is a further explanation in the details on page 17, where it says:

London, England—purchase of, and alterations to, American Embassy building.

There are a number of smaller items which I do not intend to deal with at this time. However, I do wish to make an explanation with respect to Vote 576, which appears in the further supplementary estimates No. 3 and has to do with agriculture. This vote will cover the payment of an amount, as a higher return for wheat used for human consumption in Canada, to western grain producers to be distributed on the following basis, namely, $1 per cultivated acre up to a maximum of 200 acres per farm in accordance with regulations of the Governor in Council, $42 million.

I might say for the information of honourable senators that some 20 farm commodities are supported under the Agricultural Stabilization Act, and wheat is not one of them. In addition, farmers who do not live in the Prairie provinces also receive freight assistance on the carriage of feed grains from the Prairie provinces to their provinces. It is the opinion of the Government, therefore, that some type of assistance is required to balance things off. In other words, the assistance must be balanced so that the wheat farmers of the Prairie provinces will be placed more or less in the same position as the farmers in the other parts of Canada who have their commodities stabilized under the Agricultural Stabilization Act.

Honourable senators will remember that the farmers and representatives of organizations of the Prairie provinces marched on Ottawa some little time ago and made a demand for deficiency payments for the crop years 1956-57, 1957-58 and 1958-59, as well as for the present crop year. It was estimated by the Government that if this request had been granted the total cost to the treasury would have been some $325 million. In the end the Government could not see its way clear to grant these deficiency payments, fearing this would not be the best solution and that it would tend to increase the growing of wheat by the Prairie farmers. I am told also that it would result in 35 per cent of the farmers receiving about 14 per cent of the payments and the remaining 65 per cent of the farmers receiving 86 per cent.

A suggestion made from time to time by farmers and others is that we should institute a double-price system in Canada, based on the export price at which wheat is sold to import countries and the domestic price, which would be higher and would approximately cover the amount of wheat consumed domestically in Canada. It will be remembered that in 1958 we voted some $41 million or $41½ million for the purpose of making acreage payments so as to give the farmers, who thought that this double-price system would be of help to them, something that would tend to take care of the price-cost squeeze in which they found themselves.

Honourable senators, I am of the opinion that the present payment will be of great help to the wheat farmers of the Prairie provinces. At the present time a farmer is required to obtain a quota book before he can sell any of his grain at the local elevator to the Canadian Wheat Board. In this quota book the cultivated acreage of his farm is shown, and he is only allowed to market his wheat as and when quotas are set up. Usually there is a quota of 300 bushels, called the initial quota, for each farm to start with. After that the farmer will be allowed to market one bushel per specified acre, and later on another bushel per specified acre, until by the end of the crop year he has marketed six or seven bushels per specified acre. As I have said, 225,000 farmers have quota books, on the average, but 125,000 of these farmers have cultivated acreage of less than 300 acres; they are small farmers. It will be seen that these 125,000 farmers will get over one-half of these acreage payments when they are made. It is the opinion of the Government, and I am also of the same opinion, that it is fairer to handle the matter in this way rather than by granting deficiency payments, which would increase the production of wheat and would not help the small farmer at all but would give the larger farmers, who make up 65 per cent of the total number, 86 per cent of the money.

Honourable senators, a short time ago we thought we were going to have a very large crop in the Prairie provinces. I regret to report that we have had from four to six weeks of very warm weather, with high winds and practically no rain. Crops have deteriorated to such an extent that in some areas where the land is light the crops have been cut for feed, and in other places the heads have not filled properly, and it is only in the very heavy land that there will be anything more than what we call an average crop. It is my opinion that this acreage payment will be of great help to those farmers.

Another item in supplementary estimates No. 3 has to do with the purchase of flour to be given to the United Nations Relief and Works Agency for Palestine refugees in the Near East as a contribution to World Refugee Year. This is another vote of $1 million, making the total of the supplementary estimates No. 3, $43 million.

Honourable senators, that is a brief explanation of the bill, and I submit these remarks for your consideration.

Hon. W. Ross Macdonald: Honourable senators, I hesitated to rise immediately, because from the remarks of the Leader of the Government (Hon. Mr. Aseltine) I was under the impression that his followers were going to spend the rest of the night discussing this $42 million item. According to a news report I heard over the radio this morning the members of the other house spent all day yesterday discussing this item, and the fact that the Leader of the Government devoted at least half of his time this evening to the item seemed to indicate that a number of his followers would add further explanation. Why so long was taken on this item, I do not know. I would remind the leader that an explanation never explains why an explanation is necessary. We are discussing billions and billions of dollars, and he has devoted all of his time to this—

Hon. Mr. Aseltine: Oh, no. I spent only a few minutes on this item.

Hon. Mr. Macdonald: I timed my honourable friend, and half his time was taken up with this one item of $42 million.

Hon. Mr. Aseltine: I don't agree.

Hon. Mr. Brunt: It is a very important item.

Hon. Mr. Macdonald: Of course it is a very important item, but surely there are other very important items before us. However, we are not going to hear a great deal more on this subject, and he may have deemed his explanation was necessary. I am sure we are all grateful to him for the information he has given us on that one item. I can only say that I am sorry he did not give an equally full explanation of the rest of the expenditures.

The Leader of the Government rolled off references to billions of dollars as if he were talking of thousands of dollars, or should I say hundreds of thousands of dollars. He spoke as if it were an every-day occurrence to spend a billion dollars. That is a huge sum of money. However, do honourable senators realize that tonight we are approving the expenditure of over $7 billion? This is the largest expenditure by any Government in Canada in either wartime or peacetime. It is an all-time high so far as expenditure is concerned. I know my friends are not smiling at what I say, because they are aware, as I am sure the country is aware, that every dollar of that $7 billion has to be raised by taxation, which means that there are more taxes being paid into the federal Government today than ever in the history of Canada.

Hon. Mr. Aseltine: We are a growing country, too.

Hon. Mr. Macdonald: My honourable friends may ask, "How do you arrive at the amount of $7 billion?" Well, let me say this first. I am not going to take up much time of the house in discussing this bill at this late hour of this late day in the session, but I should like to put on record the fact that expenditures in Canada have gone up continuously annually since this Government came into office.

In 1956-57 the total expenditures by the Government of Canada were $4,769 million. In 1957-58 they went up from $4,700 million to $5,008 million. In 1958-59 the increase was another half a billion dollars to $5,508 million. In 1959-60 expenditures by the Government rose to a figure of $5,6449 million.

My friend said to me a minute ago that this is a growing country. It is a growing country, but I am afraid the *per capita* indebtedness is far outgrowing the increase in population of this country.

Hon. Mr. Brunt: What about the gross national product?

Hon. Mr. Macdonald: This year the total expenditure has increased by almost $1 billion. That is rapid growth, certainly, in expenditure, to $6,553 million. A moment ago I said that our expenditures this year will be over $7 billion. We must take into consideration that old age security payments for this year will amount to $590 million, so the total expenditure by the Government this year including the old age security payments will amount to $7,143 million.

Hon. Mr. Aseltine: If the honourable senator will refer to the statement which I read, he will see that the total amount included budgetary expenditures, old age security payments and loans, at $6,553 million.

Hon. Mr. Macdonald: I am afraid my friend has not included old age security pension payments. If he will look at the estimates which were tabled in this house for the year 1961, he will see that in addition to the payments set forth in that book there is the sum of $590 million, which is not included in the amount of $6,553 million which he has given.

Hon. Mr. Aseltine: I beg to differ with the honourable gentleman. The old age security payments are included in that amount. I have it definitely stated here to that effect, that the main estimates include budgetary expenditures, old age security payments and loans. The total is $6,428 million-odd, and it includes the old age pension payments, which are statutory.

Hon. Mr. Macdonald: I am afraid my friend is mistaken, but he can check his figures and I will check mine. But for the sake

of argument let us accept his figures. We are still faced with the fact that the expenditures this year are increased by $1 billion. Can my friend contradict that statement? Indeed he cannot. I say more money is being spent this year than ever before in the history of Canada. I go further and say that the percentage of increase in expenditures this year is greater than has ever taken place in Canada.

Honourable senators, these are statements of fact which should give all of us concern, and certainly should give the Government some concern. I know we are a growing country, but we cannot let our expenditures get too far ahead of us. We cannot let our expenditures get so far ahead of us that a burden of debt will hang as a millstone on generations to come. We do not want to get into that position, but I fear we are drifting toward it. I mention these matters to give us at least something to ponder.

Hon. Mr. Vaillancourt: Will the honourable Leader of the Government (Hon. Mr. Aseltine) permit me one question? He mentioned a few minutes ago that there were two prices for wheat, one the domestic price and one the export price. Can he tell me whether the domestic price is higher or lower than that for export?

Hon. Mr. Aseltine: At the present time the prices are the same.

Hon. Mr. Vaillancourt: I thought we paid a higher domestic price.

Hon. Wishart McL. Robertson: Honourable senators, so many commendatory remarks have been made about our new colleague the senator from Cape Breton (Hon. Mr. MacDonald), in welcoming him to this chamber, that anything I might add would be superfluous. Nevertheless, I am happy to express my agreement with all that has been said in that regard. Actually, I do not think my honourable friend could be other than deserving of this commendation and be a worthy son of a very distinguished father. The Honourable Joseph MacDonald from North Sydney was a member of the Nova Scotia Government and sat in the Legislature of that province when my honourable friend from Kings (Hon. Mr. McDonald) and I were there, many years ago. He was one of nature's noblemen and a friend of everyone. I am happy to see his son is a worthy descendant.

In one respect, however, the new senator from Cape Breton has been a grevious disappointment to me. In his political days he was known as a highly efficient organizer, on which account his political friends were grateful and his political opponents were fearful. But it was not only in politics that he displayed good organizing ability. Like all true Cape Bretoners, he took an intense interest in the Gaelic Mod. I knew that his legislative duties on this occasion would make it impossible for him to attend that annual gathering. But I was sure that with his well-known efficiency and organization he would keep his finger carefully on the whole situation. You will appreciate my amazement, honourable senators, when I tell you that I read in a Nova Scotia newspaper that when the pipers were marching to greet the guest, a very distinguished Scotsman, they were led by no less than a Murphy.

Hon. Mr. Brunt: The good old Irish.

Hon. Mr. Robertson: I don't know how my honourable friend from Cape Breton will explain this. My only theory as to the cause of the lapse is that he has been associating too much with the honourable senator from St. John's East (Hon. Mr. Higgins) who sits near him in this chamber. The sole remedy I can suggest is that he take a turn next session on this side of the house. I would guarantee to shield him from the contamination of the Connollys and the Powers, and if, in due course, he liked it well enough here I would be happy to extend to him a most cordial invitation to stay.

Hon. Mr. Higgins: Surely the honourable senator is not suggesting we adopt a third language in this chamber, namely, the Gaelic.

Hon. Mr. Robertson: Honourable senators, just before I went overseas, in June, I drew the attention of the Senate to a matter in which I was deeply interested, international trade, and I asked honourable senators to participate in the discussion. I did not ask for support of my inquiry, but I hoped it would not be ignored. Honourable senators, it was not ignored. Some twelve or fifteen senators participated with varying views. I want to thank them for their interest. I want to thank also those who would have spoken had circumstances not made it impossible, and I am grateful to all honourable members of the Senate who gave the matter such careful attention.

This is one of those matters in which there may be, in my belief, revolutionary changes in the not far distant future. One honourable senator said it is well that the matter be thoroughly discussed from all its angles, and with this view I am heartily in accord.

I do not intend at the moment to direct attention to the statistics that have assumed such fanastic proportions, because I am not at home with them and I leave them to others who are more conversant wtih them, but I do want to direct attention to one matter

that is indirectly associated with the spending of these huge sums of money that we have been referring to tonight, and that is the question of how we can earn them. In that respect, and not allied to my inquiry, I want to refer particularly to the amazing extent in which public opinion in the United States has travelled recently. It has travelled far and fast. I need not say to this house that I have no inside sources of information, but from my own deductions and from what I have heard I am convinced that as soon as the next presidential elections are over, since both parties have publicly obligated themselves in their platforms to take a lead in organizing economic unity in the western world, the United States will move to form an Atlantic common market in which the two groups in Europe and the United States will be members and which Canada and the Latin American countries of South America will be invited to join. It goes without saying that that would undoubtedly have a tremendous effect on the trade of all countries concerned.

When I made my few remarks on the inquiry which I presented to this house in June I never dreamt that opinion in the United States would travel so far and so fast. Yet, on the other hand, when I began to think of it, I was not surprised, for in recent months, and indeed years, there has been a very large body of growing opinion to the effect that the United States would have to offer more leadership to the Western world in that respect because of the economic offensive which the Soviet Union is waging now and waging on the very doorstep of the United States.

The honourable senator from St. John's West (Hon. Mr. Pratt) recently told us about the interest displayed by American businessmen in this respect. This did not surprise me at all. Honourable senators will remember that it was the manufacturers of Britain and continental Europe who took the lead in forming common markets to get into larger trading areas. Under existing circumstances it is utterly impossible for manufacturers to produce economically in small areas and their only hope is to move into larger ones. That is what some 300 million Europeans have done by dividing into two groups. Without having any inside information I am suggesting that the United States is about to consider a similar move.

Honourable senators, I should like to support the remarks of the honourable senator from St. John's West with one specific instance. I met once, and have since corresponded with, a very prominent American businessman, Mr. William L. Clayton, who was at one time Under Secretary of State for Economic Affairs in, I believe, the Truman and the Roosevelt administrations. He is the head of the largest cotton brokerage firm in the United States, namely, Anderson, Clayton and Company. He recently appeared as a witness before the Houston Committee on Foreign Relations, which has been considering the absolute necessity of the United States' concerning itself about the growing domination of Russia in these undeveloped areas. He referred particularly to what had happened in Europe under the common market and the Six and Seven, and I would like to quote an excerpt from his speech as reported in the Houston *Post*:

> Thus, there are 13 of the most important countries in Western Europe now committed to bring about free trade within their respective groups in ten to 12 years.
>
> The deplorable aspect of the situation is that these countries are not working together as one group, but as two groups. If these two groups continue on their diverging ways, the very important trade relations which their respective countries now have with each other will be seriously impaired. Moreover, the unity of the West will be gravely threatened.
>
> Leadership of the highest order is needed to bridge the differences between the Six and the Seven.
>
> Only the United States is in position to furnish that leadership, and the United States can only do it by joining in a movement to make a free trade area out of the 20 OEEC countries, including the United States and Canada, now associate members of the OEEC. With a provision in the agreement inviting other free world countries to join, we would then have built the foundation for economic unity throughout the free world.
>
> There is probably no other way to obtain such unity, and without it, there is grave danger that most of the 100 poorer countries of the world will eventually drift into the communist camp.

It is apparent to anyone following United States press reports that the American State Department has been showing a growing interest and concern in this matter. Honourable senators will recall that a year ago, realizing the differences of opinion and the possibility of open trade warfare between the two groups in Europe, the American Under Secretary of State went to Europe and set in motion a new organization to attempt to bridge both sides of the Atlantic.

As reported in Parliament just a few days ago, a new organization has been brought into being in which Canada and the United States are to be members. What the result will be remains to be seen, but those movements are all in the same direction. I think the most dramatic thing occurred in the conventions of the two political parties in the United States. The Democratic party did not surprise me much, because both Senator Kennedy and Senator Johnson had been very positive in their support of movements and action along this line. The most influential man outside of those two candidates in the

Democratic party is undoubtedly Adlai Stevenson, who is mentioned as possibly the next Secretary of State, should the Democrats win. He has been repeatedly campaigning for closer economic relations between the Atlantic community, and probably largely as the result of his action, and of that of others who thought as he did, the Democratic platform includes a specific plank directed to that question:

> To our friends and associates in the Atlantic Community: We propose a broader partnership that goes beyhond our common fears, to recognize the depth and sweep of our common political, economic, and cultural interests.

I do not think there is the slightest doubt as to what the viewpoint of the Democratic party will be. However, honourable senators, I suggest that the most dramatic changes took place in the Republican party. The best way I can refer to it is to quote a dispatch sent by the veteran newsman James Reston to the New York *Times* before the Republican convention concluded:

> So much has been said this weekend about the disagreements between Vice President Nixon and Governor Rockefeller that very little attention has been paid to one very remarkable item of agreement in their Saturday morning communiqué. This was their support of the idea that the United States should take the lead promptly in transforming the present system of defence alliances in the North Atlantic and the Western Hemisphere into "confederations".
>
> "The Vice President and I reached agreement", Governor Rockefeller's statement said, "on the following specific and basic positions on foreign policy.
>
> "The vital need of our foreign policy is new political creativity—leading and inspiring the formation in all great regions of the free world, of confederations, large enough and strong enough to meet modern problems and challenges.
>
> "We should promptly lead toward the formation of such confederations in the North Atlantic community and in the Western Hemisphere."

And then Reston's own comments:

> It was this remarkable paragraph, among others, that sent the Conservative Senator Barry Goldwater of Arizona into orbit around the Chicago *Tribune* tower here yesterday, and helped create a tumult within the divided foreign policy subcommittee of the Republican National Convention.

Nixon adhered to the policies that he and Rockefeller agreed on, and after a bitter battle in committee the Rockefeller proposals were agreed to, and incorporated in the platform.

I say that because it was most dramatic, and actually it has added a new word to our North American language, the word "Goldwater". From now on that word will mean a personification of economic nationalism, an idea of one's living only for himself, entirely unmindful of what is happening in the rest of the world. The word will indicate that, no matter in how high regard Senator Goldwater personally may be held.

Throughout both conventions there was growing evidence of the impatience of the American public because of the fact that the United States has seemed to be always trailing the Soviet Union and always having to respond to Soviet initiative. I suggest that in the United States today this drastic proposal to which both parties have committed themselves arises basically from the idea that the United States at long last should take a definite initiative, and I believe that no American President will be able to ignore that feeling. It comes too from the fact that the spectre of Khrushchev hovers over Cuba, Mexico and the rest of Latin America.

I would suggest, honourable senators, the situation as respects public opinion of the United States is not unlike that which existed before the North Atlantic Treaty came into existence, when Czechoslovakia disappeared behind the Iron Curtain. This is a real issue for the United States. I suggest to this house that we are on the eve of the United States taking the lead in forming a common market on both sides of the Atlantic, involving some 500 million people, with invitations to Canada and Latin America to join. I predict that as respects Latin American countries the United States has no intention of waiting until the horse is stolen before locking the door.

In my June speech in this house I referred to a statement which was questioned, although not seriously, by Mr. Clayton of the United States, whom I have just mentioned. I sent him a copy of my speech. He replied, thanking me for it, and saying that he agreed with my point of view and was advocating that the United States do as I was suggesting for Canada. However, he did question my citation from the views of a group of businessmen, that cost of production in Canada was 35 to 40 per cent higher than in the United States. He said he could hardly credit that statement—that it just could not be so. Mr. Clayton is a very prominent and able man. It occurred to me that if he had doubts about what I had said, someone else also might question it. I am frank to admit that I used as my original source the Montreal *Gazette*, but I have since gone to the original source. I have in my hand a booklet entitled *Barrier to Trade between Canada and the United States*, published by the Canadian-American Committee sponsored by the National Planning Association (U.S.A.), and Private Planning Association of Canada.

The joint chairmen of the committee are Robert M. Fowler, President, Canadian Pulp and Paper Association, and R. Douglas Stuart, Chairman of the Board, the Quaker Oats Company, one time ambassador to Canada.

Its members include such persons as Donald Gordon, Chairman and President, Canadian National Railways; H. H. Hannam, President, Canadian Federation of Agriculture; Claude Jodoin, President, Canadian Labour Congress; W. A. Mackintosh, Vice-Chancellor and Principal, Queen's University; R. E. Powell, Honorary Chairman, Aluminum Company of Canada, Ltd.; James Stewart, Director, Canadian Bank of Commerce; G. F. Towers, Ottawa, Canada; and J. R. White, President, Imperial Oil Limited.

I quote from a paragraph on page 3 of the pamphlet, which reads:

> Both Canadian and U.S. secondary manufacturing industries have been developed primarily to serve the domestic markets. Since the U.S. market is some 15 to 20 times as large as the Canadian market, U.S. manufacturers can obtain much greater economies of scale (larger production runs, more specialization in machinery and labour, and lower costs of overhead and distribution). Largely as a result of this one factor, the average cost of manufacturing in Canada, excluding such primary industries as pulp and newsprint where scale is no problem, run some 35 to 40 percent higher than in the United States. Although lower wages in Canada provide some offset to this productivity differential, it is easy to appreciate why the volume of manufactured imports from the United States is so great in spite of the Canadian tariff.

I wrote to my friend and said: "I don't wonder that you raised the question. How is it possible for our manufacturers to compete under those circumstances?" The answer is this: first, that they pay labour 25 per cent less than the American scale, although, undoubtedly the cost of living is higher here than in the United States; secondly, they charge the consumer a large part, if not all, of the difference. But in addition to that, there is such a variety of production today that it is simply impossible to supply the consumer with his choice, and that process means growing competition from without.

I suggest to you honourable senators, that this problem of cost of production in Canada is one of the most serious problems that our economy has to face. In the debate which took place on my inquiry, as I remember it, there was not one single reference to the first basic reason that I gave for the idea that we should, by a progressive reduction of tariffs, just as the European countries are doing, get our cost of living down, and I say this to you honourable senators, that to my knowledge there is no person in Canada, in the Government or elsewhere, who has suggested as good an alternative. No one, as far as I know, has suggested any alternative.

There are only pious hopes that costs of production will go down. But they are steadily climbing, and the differential between our costs and those of our European competitors will steadily increase. I cannot see how people in authority, or any others, can see what the future holds for us in those circumstances.

There are some people who suggest that a depression will be the only way of getting costs down and then, perhaps, labour will be forced to take less pay. We are paying labour less in Canada by 25 per cent than it is being paid in the United States.

My honourable friend from Blaine Lake (Hon. Mr. Horner) shakes his head. Those are the figures of the Canadian Labour Congress; they are the figures that are generally used. My honourable friend has no other figures to give. He can shake his head as much as he likes, but let him give me some figures. I will go further and say that in my province of Nova Scotia the wages are lower than the Canadian average.

Hon. Mr. Horner: In the United States the production per man-hour is greater than ours.

Hon. Mr. Robertson: I am saying that basically Canadian industry, according to the figures, pays wages which are 25 per cent less than the wages the Americans pay. My honourable friend may not like it, but it is a fact.

Hon. Mr. Horner: I don't believe it.

Hon. Mr. Robertson: I have no definite figures as to the wages paid in Nova Scotia in relation to the Canadian average, but I have a question on the Order Paper asking for them. It is generally understood that incomes in that province—I am not suggesting that these are industrial incomes, for I do not have those figures—are about 25 per cent less than those in the provinces of Ontario and Quebec. That is the price you have to pay, and I suggest that this situation cannot continue indefinitely. Our only alternative is to get into a mass market progressively over a period of years, just as the European countries have been doing. This policy of ours is as antiquated as the horse and buggy. This fact is generally recognized elsewhere. The manufacturers in Britain, Germany and France have moved in that direction, and now the Americans are apparently doing the same.

Undoubtedly the question will arise whether Canada will join the Atlantic market, if invited to do so. Personally I believe the arguments for doing so are much more in favour than against. I believe it is the only chance for secondary industry to survive and prosper. Right now our economic future faces serious problems. Payrolls are steadily diminishing and there is growing unemployment. How are these problems to be met? There are only two ways. We could raise tariffs high enough to keep competition out,

or change the whole method of manufacturing in exactly the same way as the European countries have been doing and get into mass production markets. I believe the primary and secondary industries have everything to gain. Consumers would undoubtedly enjoy a lower cost of living, for while the rate of increase has been less in the last 12 months, it has maintained its upward trend by something between 1 and 2 per cent. After careful reflection, I would say that Canada should join the common market if invited to do so. I argued recently that we should initiate action along these lines ourselves. If the European countries, together with the United States, are progressively reducing their tariff barriers between themselves, Canada would be isolated if she did not join with them. I would warn that this will not be achieved without encountering some wide difference of opinion, but our party leaders are generally in favour of it in principle. The present Prime Minister expressed approval of it in days gone by. I know this because I was associated with him in an endeavour to have the economic clauses of the North Atlantic Treaty implemented. But I want to remind you in all seriousness that the United States is not the only place that has its "Goldwaters". They exist in this country as well, and I suspect they are very influential. I can tell you the arguments that they will use against joining the Atlantic common market, but whether they will prevail or not remains to be seen. These people will say, "We want to keep our sovereignty; we are making no alliances with any country or any group of countries." They will also say, "Other people only buy our products when they want them, and can come and get them and pay for them." They will say, moreover, that if any group of countries make arrangements between themselves and effect mutual reductions in tariffs, Canada will make treaties with those countries to secure the benefits without reducing her own tariffs. We must be free to protect our own industries, in the words of one I quoted—"even if we scrap the commonwealth preferences and our participation in GATT in the process".

Finally, the "Goldwaters" will use this old cliché, that if our industries are not protected we shall become hewers of wood and drawers of water. This is supposed to strike terror into our hearts. Upon my word, every time I hear that expression I see red, but some people seem to enjoy using it and others seem to enjoy listening to it.

Perhaps sooner than we believe, the United States will, for the reasons that moved her to take the revolutionary step she did when she signed the North Atlantic Treaty because of the fear of common aggression in the military field, embark on just as revolutionary action in the economic field; and, as one of the speakers said during the recent debate, it is well that public discussion take place in regard to it.

Honourable senators, I have done my part to draw attention to possible developments. I may be wrong in my prediction, but I am convinced that it is in the cards. The spectacle of Khrushchev, with his foot in Cuba today, and probably in Mexico tomorrow, and other Latin America countries the following day, is something that concerns the American public to the point where some action is demanded. The result of such action will be my predicted Atlantic common market, which Canada will have to decide to join or remain outside.

Of course, honourable senators represent various areas, and know the circumstances that exist in those particular areas. For my part, however, coming as I do from the Atlantic provinces, I say in no uncertain terms that Canada's joining of an Atlantic Common Market, in my opinion, presents the greatest opportunity the Atlantic provinces have had since Confederation, and I intend to urge citizens of those provinces to exert their influence on their respective national political organizations to see that this opportunity does not slip through their fingers. The opportunity for secondary industry to thrive instead of slowly dying, for agriculture, fishing, and forestry to secure profitable water-borne markets through lower costs of production, is worth fighting for. All in all, our maritime geographical position can become an asset rather than a liability. All consumers can secure gradual relief from the steadily rising cost of living. Truly, the rapid rush of world events is opening up new vistas for Canada. No part of Canada stands to gain more than Nova Scotia and the other Atlantic provinces.

Motion agreed to and bill read second time.

THIRD READING

Hon. Mr. Aseltine moved the third reading of the bill.

Motion agreed to and bill read third time and passed.

PROROGATION

NOTICE

The Hon. the Speaker informed the Senate that he had received the following communication:

GOVERNMENT HOUSE
Ottawa
10th August 1960

Sir,

I have the honour to inform you that the Hon. Mr. Justice C. H. Locke, in his capacity as Deputy of His Excellency the Administrator of the Government of Canada, will proceed to the Senate Chamber at 10.50 p.m. today, the 10th August, 1960, for the purpose of proroguing the Third Session of the Twenty-Fourth Parliament of Canada.

I have the honour to be,
Sir,

Your obedient servant,

E. Joly de Lotbinière,
Assistant Secretary to the
Governor-General.

The Honourable
The Speaker of the Senate.

The Senate adjourned during pleasure.

ROYAL ASSENT

The Honourable Charles Holland Locke, Judge of the Supreme Court of Canada, Deputy of His Excellency the Administrator of the Government of Canada, having come and being seated at the foot of the Throne, and the House of Commons having been summoned, and being come with their Speaker, the Honourable the Deputy of His Excellency the Administrator was pleased to give the royal assent to the following bills:

An Act to amend the Judges Act.

An Act to amend the Combines Investigation Act and the Criminal Code.

An Act for the Recognition and Protection of Human Rights and Fundamental Freedoms.

An Act to amend the Judges Act.

An Act for the relief of Enid Grace Pascoe Dawson.

An Act for the relief of Julianna Catharina Mehilercsik Jutras.

An Act for the relief of Helen Kurtzman Bernard.

An Act for the relief of Barbara Jean Gillies Harris Cooke.

An Act for the relief of Evelyn Annie Macleod Vaillancourt.

An Act for the relief of John Thomas Francis White.

An Act for the relief of Helen Frances Estelle Kearney Freeman.

An Act for the relief of Omer Therrien.

An Act for the relief of Helen Elisabeth Millar Ramshaw.

An Act for the relief of Larry Orsa.

An Act for the relief of Brenda Mary Pardy Thacker.

An Act for the relief of Lily Schucher Cohen.

An Act for the relief of Anna Margaret Laurie Cannon Stevenson.

An Act for the relief of Roger Vermette.

An Act for the relief of Rose Vosko Ribkoff.

An Act for the relief of John Gilbert Oakley.

An Act for the relief of Earl Bernard Lapierre.

An Act for the relief of Marie Rose Nicola Lapenna McLaughlin.

An Act for the relief of Delema Grace Mullin Simon.

An Act for the relief of Earle James Andrew Aspell.

An Act for the relief of Marie Simone Louisette Bellemare Lafond.

An Act for the relief of Elizabeth Lebherz Denig.

An Act for the relief of James William Neilan.

An Act for the relief of Donna Lois Marchand Silverman.

An Act for the relief of Leo Proulx.

An Act for the relief of June Laura Welby Leger.

An Act for the relief of Dorothy May Kenny Mulcair.

An Act for the relief of Margaret Kathleen Graham Lane.

An Act for the relief of Hubert Shirley Quartz.

An Act for the relief of Claudine Fernande Yvette Thibaudeau Tarride.

An Act for the relief of Mary Pirie Wood Hunnisett.

An Act for the relief of Marine Tony Jakovich.

An Act for the relief of George Henderson.

An Act for the relief of Jean Ludger Villeneuve.

An Act for the relief of Robert Marcel Castets.

An Act for the relief of Sarah Mary Shirley Collins Stewart.

An Act for the relief of Stella Jean Dunn Breitman.

An Act for the relief of Klari Margo Farkas Bodo.

An Act for the relief of Vera Eileen Rath Croucher.

An Act for the relief of Rena Kanofsky Perzow.

An Act for the relief of Pearl Thorne Chipman.

An Act for the relief of Joan Ethel Brooks Clarke.

An Act for the relief of Ann Aaron Regenstrief.

An Act for the relief of Eleanor Agnes Overall Cannon.

An Act for the relief of Betty Zaracoff Ferstenfeld.

An Act for the relief of Kenneth Alan MacKenzie.

An Act for the relief of Honoria Evelyn Day Matthew.

An Act for the relief of Rene Georges Clement.

An Act for the relief of Mary Eva Sheila Redmond Beards.

An Act for the relief of Geraldine Anne Mary McElligott Parsons.

An Act for the relief of William Gordon Jack.

An Act for the relief of Eileen Coates MacPherson.

An Act for the relief of Maria Lozinsky Truby.

An Act for the relief of Willie Pomerleau.

An Act for the relief of Patricia Frances Turley Raustis.

An Act for the relief of Mary Jean Olive De Vouge Tremblay.

An Act for the relief of Dorothy May Vallis Odell.

An Act for the relief of Jimmy D'Abate.

An Act for the relief of Mary Semenyshyn Shuch, otherwise known as Mary Semenyshyn Shuck.

An Act for the relief of Monique Bauset Malo.

An Act for the relief of Rivka Fridman Nimrod, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel.

An Act for the relief of John Frederick Alfred Webster.

An Act for the relief of Mary Prukker Wigmore.

An Act for the relief of Elizabeth Rudolph Beauchemin.

An Act for the relief of Georges Delrue.

An Act for the relief of Marie Claire Georgette Cronier Brault.

An Act for the relief of Marie Therese Louise Forest Morin.

An Act for the relief of Donat Savoie.

An Act for the relief of Joseph Arthur Andre Sicotte.

An Act for the relief of Stanley Wellington Burton.

An Act for the relief of Hannah Bitensky Bidner.

An Act for the relief of Katherine Elizabeth Moore Shaw.

An Act for the relief of Mary Margaret Young Doulton.

An Act for the relief of Iris Margaret Leslie Sankey Jolliffe.

An Act for the relief of Mary Glen Keirstead Routliffe.

An Act for the relief of Helen Balacan Berinbaum, otherwise known as Helen Balacan Berne.

An Act for the relief of Morris Arthur Bergeron.

An Act for the relief of Erica Theresa Schockner Giwertzman.

An Act for the relief of Boris Moses Ovrutzky.

An Act for the relief of Mac Ravitsky.

An Act for the relief of Timothy David Rudston Thomason.

An Act for the relief of Anne Smilovitch Portnoff.

An Act for the relief of Violet Sandra Miller MacKenzie.

An Act for the relief of Reva (Rita) Hutkin Agoston.

An Act for the relief of Jean Ann Brown Craig.

An Act for the relief of Frances Malofy Marzitelli.

An Act for the relief of Georgette Malick David.

An Act for the relief of John Priestley.

An Act for the relief of Caroline May Alexander Clements.

An Act for the relief of Ellen Schwarz Blok.

An Act for the relief of Nijs de Vos.

An Act for the relief of Lucien Girard.

An Act for the relief of Emilia Arcoragi Fisher.

An Act for the relief of Michael Kaluta.

An Act for the relief of Andre Marsolais.

An Act for the relief of Jozefa Lukasiewicz Bielicz.

An Act for the relief of Beverley June Russell Ehrhardt.

An Act for the relief of Edith Hirsch Distelman.

An Act for the relief of Lise Johanne Carreau Wolczecki.

An Act for the relief of Charlotte Stilman Shulman.

An Act for the relief of Gail Rabinovitch Golden.

An Act for the relief of Marie Rose Lucette Durocher Di Iorio.

An Act for the relief of Nelson Cyr.

An Act for the relief of Ivy Baldwin Collier Wright.

An Act for the relief of Joseph Alain Jean Guy Berube.

An Act for the relief of Shirley Loraine Knodell Burke.

An Act for the relief of Rene Lassonde.

An Act for the relief of John Pastor.

An Act for the relief of Margaret Dunn Hepburn Sanderson.

An Act for the relief of Maurice Sykes Ward.

An Act for the relief of Clark Alvin Graham.

An Act for the relief of Noeleen Natalie Adams Lamond.

An Act for the relief of Harry Gillman.

An Act for the relief of John Philip Bowers.

An Act for the relief of Carl August Christensen.

An Act for the relief of Barbara Joan Marsh Wolfe.

An Act for the relief of Barbara Ann Tuppen McIntosh.

An Act for the relief of Dorcina Doris Dubuc Clark.

An Act for the relief of Gerald Healey.

An Act for the relief of Marlene May Myles Robinson.

An Act for the relief of Phyllis Louise Clements Harris.

An Act for the relief of Anne Olivia Sinclair Fuller.

An Act for the relief of Viola Mabel Stead Cole.

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An Act for the relief of Daniel Edward Napasney.

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An Act for the relief of Alphonse Yared.

An Act for the relief of Andre Lamothe.

An Act for the relief of Rita Hamel Labranche.

An Act for the relief of Lionel Boucher.

An Act for the relief of Eliza Boudreau Filion.

An Act for the relief of William Leslie Baillie.

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An Act for the relief of Molly Brenda Stein Butterman.

An Act for the relief of Laurette Biron Valade.

An Act for the relief of Viviane Hirsch Montmartin Gadbois.

An Act for the relief of Grace Kara Forshaw.

An Act for the relief of Gloria Helene Stotland Titleman.

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An Act for the relief of Joyce Tabah Tomy.

An Act for the relief of Ruth Irene Diakur Mendel.

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An Act for the relief of Janina Lukaszewicz Soloducha.

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An Act for the relief of Eleanor Jean Mott Taylor.
An Act for the relief of Rose Van Embden Singer.
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An Act for the relief of Gerald Onie Shannon.
An Act for the relief of Percival Verna Nathan.
An Act for the relief of Valerie Elsie Price Perrault.
An Act for the relief of Joseph Edmond Giroux.
An Act for the relief of Allen Dwight Westover.
An Act for the relief of Shirley Grace Edythe Sayers Sutherland, otherwise known as Shirley Seguin Sutherland.
An Act for the relief of Claire Ruth Rubins Lyons.
An Act for the relief of Stanislaw Przybyla.
An Act for the relief of Ian Church Wood.
An Act for the relief of Marie Hariette Claudette Boisvert Beaudry.
An Act for the relief of Arthur Edward Parker.
An Act for the relief of Owen John Lummis.
An Act for the relief of Ronald Norman Hogg.
An Act for the relief of Roy Walter Williams.
An Act for the relief of Barbara Doris Jennings Fitzgerald.
An Act for the relief of Christine Nancy Littleton Cohen.
An Act for the relief of Czarna Rose Lemkowicz Bialer, otherwise known as Czarna Rose Lemkowicz Bealer.
An Act for the relief of Kazimierz Romanowski.
An Act for the relief of Norma Katherine MacDonald McLean.
An Act for the relief of Diane Hawkins Edler.
An Act for the relief of Marcel Pouliot.
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An Act for the relief of Madeleine Arbour Gauvreau.
An Act for the relief of Pierre Frederic Bruneau.
An Act for the relief of Nancy Virginia Webster Canning.
An Act for the relief of Annie Zilinskas Schneidereit, otherwise known as Annie Zilinskas Schneider.
An Act for the relief of Jean Paul Alfred Lebel.
An Act for the relief of Bernice Ellis Biltis.
An Act for the relief of Evagelia Karidi Tsitsos.
An Act for the relief of Barbara Raphael Salomon.
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An Act for the relief of Fanny Hussey Baggs.
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An Act for the relief of Peter Eric Bray.
An Act for the relief of Gerard Lafond.
An Act for the relief of Jessie Davis Hill.
An Act for the relief of Grace Ruth Goldenberg Goldberg.
An Act for the relief of Elsie Mae Freake Vardy.
An Act for the relief of Gisele Fortin St.-Laurent.
An Act for the relief of Pauline Anne Elizabeth Cunliffe Hebb.
An Act for the relief of Mary Violet Maloney Elm.
An Act for the relief of Gilles Jacques.
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An Act for the relief of Margaret Mary Ryan Girvan Hollett.
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An Act for the relief of Wera Podkopaewa Kraska.
An Act for the relief of Ronald Mugford.
An Act for the relief of Ida Denis Matte.
An Act for the relief of Sterling Norman Woods.
An Act for the relief of Mary Wolloch Vineberg.
An Act for the relief of Lotte Wilhelmine Schwitzer Hornig.
An Act for the relief of Margaret Clare Haigh Marshall.
An Act for the relief of Claire Syrek Stolovitz.
An Act for the relief of Lucien Dubuc.
An Act for the relief of Aino Maria Leinonen Knudson.
An Act for the relief of Mildred May Ghenender Greenspon.
An Act for the relief of Gordon Lang Cheesbrough.
An Act for the relief of Charles Guy Comeau.
An Act for the relief of Frida Rosen-Deutcher Falovitch.
An Act for the relief of Elizabeth Giliaeff Jahn.

An Act for the relief of Myrna Ada Webber Neiman.
An Act for the relief of Ellery Gordon Duncan.
An Act for the relief of Sarah Wolman Rothman.
An Act for the relief of Dragan Baljak.
An Act for the relief of Glenda Ruth Warren Meades.
An Act for the relief of Robert Hugh Parker.
An Act for the relief of Catherine Hetty Dawson Gilbert Cathcart.
An Act for the relief of Sheila Alexandra Anderson Williams.
An Act for the relief of Georges Justin Goeury.
An Act for the relief of Gabrielle Labranche Bisaillon.
An Act for the relief of Maurice Joseph Martel.
An Act for the relief of Ula Geraldine Taylor Gauthier.
An Act for the relief of Margaret Veronica Stacey Abraham.
An Act for the relief of Colette Bauer Landau.
An Act for the relief of Margot Buerling Zich.
An Act for the relief of Barbara Helen Watson Coones.
An Act for the relief of Bertha Jacqueline Alice Sweetinburgh Glynne-Percy.
An Act for the relief of Alphonse Taghon.
An Act for the relief of Paul Morency.
An Act for the relief of Mary Jean Frances Collins Park.
An Act for the relief of Martine Simonne Georgette Krettly Lefebvre.
An Act for the relief of Elizabeth Davis Reed.
An Act for the relief of Raymond Faucher.
An Act for the relief of Alexander Bleziotis.
An Act for the relief of Ralph Gatis.
An Act for the relief of Diana Elizabeth Wilson Ronalds.
An Act for the relief of Parthenope Eftichidou Economou.
An Act for the relief of John Edward Anderson.
An Act for the relief of Claire Viger Marcil.
An Act for the relief of Denise Claire Lescarbeau Sarroino.
An Act for the relief of Carolyn Louise Atwood Leslie.
An Act for the relief of Sophia Kaloutsky Kachur.
An Act for the relief of Rosaire Armand Falardeau.
An Act for the relief of Philippa Osler Day.
An Act for the relief of Mary Rebecca Pittman Lawrence.
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An Act for the relief of Shirley Edith Rich Henry.
An Act for the relief of Helene Lepine Greig.
An Act for the relief of Marion Adelaide Smith Berube.
An Act for the relief of Sheila Ethel Mitchell Martin.
An Act for the relief of Margaret Hunt Tibbo.
An Act for the relief of Simone Laramee Desroches.
An Act for the relief of Ethel Bannister Thomas.
An Act for the relief of Leo Antonio Gianfrancesco.
An Act for the relief of Mary Spalton Humphries.
An Act for the relief of Nicola Salvatore Veri.
An Act for the relief of Noreen Elizabeth Cassidy Pineo.
An Act for the relief of Marie Therese Barolet Cayer.
An Act for the relief of Iris Nellie Armstrong Wedge.
An Act for the relief of Lucien Carbonneau.
An Act for the relief of Peter Borbley.
An Act for the relief of Joseph Pierre Claude Aubin.
An Act for the relief of Vladimir Ignatjev.
An Act for the relief of Elizabeth Fairnington Gaul.
An Act for the relief of Rolande Mercier Perreault.
An Act for the relief of France Andree Joly Smith.
An Act for the relief of Marcelle Schipper Brian.
An Act for the relief of Norman Edward Fulford.

The Honourable Roland Michener, Speaker of the House of Commons, then addressed the Honourable the Deputy of His Excellency the Administrator as follows:

May it please Your Honour:

The Commons of Canada have voted certain supplies required to enable the Government to defray the expenses of the public service.

In the name of the Commons, I present to Your Honour the following bill:

An Act for granting to Her Majesty certain sums of money for the public service of the financial year ending the 31st March, 1961.

To which bill I humbly request Your Honour's assent.

The Honourable the Deputy of His Excellency the Administrator was pleased to give the royal assent to the said bill.

SPEECH OF DEPUTY OF ADMINISTRATOR

The Honourable the Deputy of His Excellency the Administrator was pleased to close the Third Session of the Twenty-fourth Parliament with the following speech:

Honourable members of the Senate:

Members of the House of Commons:

The third session of this Parliament has been an unusually significant and useful one for Canadians. As you return to your homes I thank you for your work on behalf of the people of Canada.

Relations between nations of the world continue to cause concern. Several incidents have heightened tensions and aroused anxiety. Despite the sombre outlook, however, my Government continues to hope that reason may yet prevail in the Soviet world to the end that the differences between nations can be resolved. This will require energy, patience, strength and understanding. Canadians remain convinced that nothing must be left undone to assure real peace for our people and all men everywhere.

In the meantime, a responsible nation can do no other than contribute its part to the defensive strength of the free world. Canada remains under an obligation to provide forces for the defence of North America, to contribute to the North Atlantic Alliance and in support of the United Nations. You have made the necessary provision to meet these commitments. In the past few days you have approved the sending of a Canadian contingent of signalling and logistic personnel to be a part of the United Nations operations in the Congo.

The Prime Ministers of the commonwealth met together in London during May and reviewed the major international problems of the day and various questions of constitutional development within the commonwealth.

You have continued, at the increased level authorized last year, Canada's contribution to the Colombo Plan. You have also voted assistance for a program of aid to newly emerging nations in Africa, as well as further funds for the aid of the West Indies Federation. An appropriation for the first year of operations of the Commonwealth Scholarship Plan has been approved.

Canada's economic position in 1960 generally has remained good but the problems of employment in Canada, as in the United States, remain a cause for concern. You have authorized an expanded municipal winter works program for 1960-61. You have made increased provision for the training of unemployed persons in co-operation with the provinces. These measures, together with the steps taken to increase financing for housing construction and home improvement, will provide added employment in the forthcoming winter.

Agriculture in all its aspects has continued to receive the close attention of Parliament and the Government. Early in the session you enacted measures to help meet problems arising from unseasonable weather in the Prairie provinces which interrupted the harvesting of last year's grain crops. You have also taken concrete steps to provide assistance to the agricultural economy of western Canada.

A measure of great significance that you have enacted in this session has been the Act for the recognition and protection of fundamental human rights. At a time when the enemies of freedom everywhere mock the words of freedom you have set forth for all the world to see the declaration of Canadians that the dignity of the human personality shall be preserved in Canada in equality before the law without discrimination.

You have approved a measure to give Indians the right and privilege of the franchise in federal elections on a basis of equality with their fellow Canadians, but without any sacrifice of their traditional rights.

The Canada Elections Act has been revised.

You have approved an address to Her Majesty requesting the submission to the Parliament of the United Kingdom for an amendment of the British North America Act to establish a retirement age of seventy-five for judges of superior courts and you have made consequential amendments to the Judges Act.

A conference with provincial representatives has been arranged for the autumn to seek agreement on the means by which the Constitution of Canada can be amended in Canada in matters affecting federal and provincial jurisdictions.

You have amended the Federal-Provincial Tax-Sharing Arrangements Act to provide for the extension for the remainder of the period covered by the act of the increase in the share of the revenue from the personal income tax previously allocated to the provinces. Alternative arrangements have been approved in respect of the making of grants to universities in all parts of Canada.

In preparation for the revision of the financial arrangements with the provinces which expire in March 1962, a Dominion-Provincial Conference was held in the last week of July. The conference will resume its discussions in October.

Important amendments have been made to the Combines Investigation Act and related provisions of the Criminal Code which will give protection to the small businessmen of Canada.

The Public Service Superannuation Act has been amended to improve it in several respects. A revision of the Civil Service Act has been placed before you for consideration in advance of action at your next session.

Legislation has been passed to provide for the establishment of a Department of Forestry to have responsibility for all matters relating to the forest resources of Canada over which the Parliament of Canada has jurisdiction.

You have extended the Emergency Gold Mining Assistance Act for a further period of three years.

The Trans-Canada Highway Act has been amended to extend for three years the period during which payments may be made to the provinces for construction under the act.

You have approved measures which will enable for the first time the payment of pensions under the Old Age Security Act and the War Veterans' Allowance Act to be made to Canadians who choose to reside outside of Canada.

You have authorized extension of the operation of the Freight Rates Reduction Act to April 30, 1961.

New Trade Agreements with Australia and the U.S.S.R. have been approved.

Other measures enacted at this session include an Act to establish new C.N.R. terminal facilities in Toronto, the C.N.R. Financing and Guarantee Act, an Act to provide for Canada's membership in the International Development Association, Acts to

incorporate Harbour Commissioners at Oshawa and Nanaimo, the La Salle-Caughnawaga Bridge Act, an Act to repeal certain fisheries laws of Newfoundland, a new Feeds Act and an Act respecting the International Boundary Commission.

You have also amended the Export and Import Permits Act, the Canada-Netherlands Income Tax Agreement Act, the Windsor Harbour Commissioners Act, the Department of Justice Act, the National Housing Act, the National Energy Board Act, the Yukon Act, the Northwest Territories Act, the Railway Act, the Canada Shipping Act and the Criminal Code.

Members of the House of Commons:

I thank you for the provision you have made for the essential public services and payments for the current fiscal year.

Honourable Members of the Senate:

Members of the House of Commons:

May Divine Providence continue to bless, protect and guide our nation.

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Abbreviations

1r, 2r, 3r,	=	First, second, third reading
Amdts	=	Amendments
Com	=	Committee
Div	=	Division
M	=	Motion
Ref	=	Referred
Rep	=	Report
r.a.	=	Royal Assent

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Gauthier, Ula Geraldine Taylor. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Gauvreau, Madeleine Arbour. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Gelinas, Marie Evelina Simone Lorette Charest. 1r, 78; 2r, 102; 3r, 108; r.a., 327
Gianfrancesco, Leo Antonio. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Giblin, Richard Denis. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Gillman, Harry. 1r, 165; 2r, 195; 3r, 202; r.a., 1266
Girard, Lucien. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Giroux, Joseph Edmond. 1r, 568; 2r, 594; 3r, 613; r.a., 1268
Giwertzman, Erica Theresa Schockner. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Glandsdorp, Sherrill Ordidge. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Glynne-Percy, Bertha Jacqueline Alice Sweetinburgh. 1r, 759; 2r, 782; 3r, 789; r.a., 1269
Goeury, Georges Justin. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Golden, Gail Rabinovitch. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Goldberg, Grace Ruth Goldenberg. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Graham, Clark Alvin. 1r, 165; 2r, 195; 3r, 202; r.a., 1266
Graham, Renee Helen Engel. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Greenspon, Mildred May Ghenender. 1r, 758; 2r, 782; 3r, 788; r.a., 1268
Greenwood, Joyce Agnes Catherine Wilkinson. 1r, 340; 2r, 372; 3r, 390; r.a., 1267
Greig, Helene Lepine. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Grenier, Guy. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Griffiths, Hannah Margaret Burlie. 1r, 78; 2r, 103; 3r, 108; r.a., 327
Grossman, Elsa Faiga Manace. 1r, 499; 2r, 514; 3r, 518; r.a., 1267
Groves, Shirley Veronica Hannah. 1r, 90; 2r, 111; 3r, 123; r.a., 327
Gushue, Eileen Williams. 1r, 385; 2r, 435; 3r, 450; r.a., 1267

Hamburg, Lily Cohen Turner—*See* Hamburger, Lily Cohen Turner
Hamburger, Lily Cohen Turner, otherwise known as Lily Cohen Turner Hamburg. 1r, 78; 2r, 102; 3r, 108; r.a., 327
Hammond, Diane M. L. Turner. 1r, 200; 2r, 231; 3r, 235; r.a., 1266

Hancz, Margis Wellisch Ruszugar. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Harris, Margaret Maclaren. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Harris, Phyllis Louise Clements. 1r, 199; 2r, 231; 3r, 235; r.a., 1266
Healy, Gerald. 1r, 199; 2r, 231; 3r, 235; r.a., 1266
Heany, Myrtle Gertrude Lily Molloy. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Hebb, Pauline Anne Elizabeth Cunliffe. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Hebel, Rivka Fridman—*See* Nimrod, Rivka Fridman
Heinemann, Edith Tobat. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Henderson, George. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Henry, Shirley Edith Rich. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Herscovitch, Joan Shirley Davies. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Hickey, Hazel Ina McEwing. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Hill, Jessie Davis. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Hogan, June Isabella Adamson. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Hogg, Ronald Norman. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Hollett, Margaret Mary Ryan Girvan. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Hornig, Lotte Wilhelmine Schwitzer. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Horvath, Irmgard Poikonen. 1r, 256; 2r, 277; 3r, 282; r.a., 1267
Horvath, Istvan. 1r, 499; 2r, 514; 3r, 518; r.a., 1268
Houde, Yolande Marguerite Delorme, otherwise known as Yolande Marguerite Delorme Cyr. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Hould, Marie Rita Dube. 1r, 107; 2r, 127; 3r, 130; r.a., 714
Howell, Patricia Ann Shirley. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Humphries, Mary Spalton. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Hunnisett, Mary Pirie Wood. 1r, 115; 2r, 138; 3r, 144; r.a., 1265

Ignatjev, Vladimir. 1r, 875; 2r, 908; 3r, 917; r.a., 1269
Imbleau, Thomas Edward. 1r, 479; 2r, 505; 3r, 518; r.a., 1267

Jack, William Gordon. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Jacques, Gillies. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Jahn, Elizabeth Giliaeff. 1r, 758; 2r, 782; 3r, 788; r.a., 1268
Jakovich, Marine Tony. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Jolliffe, Iris Margaret Leslie Sankey. 1r, 152; 2r, 173; 3r, 185; r.a., 1265
Joly, Blanche Brigitte Paulette Gagne. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Joly, Jessie Margaret Cross. 1r, 340; 2r, 372; 3r, 390; r.a., 1267
Jutras, Julianna Catharina Mehilercsik. 1r, 90; 2r, 111; 3r, 123; r.a., 1265

Kachur, Sophia Kaloutsky. 1r, 787; 2r, 832; 3r, 839; r.a., 1269
Kagan, Marilyn Shendelman. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Kalmin, James Joseph. 1r, 78; 2r, 103; 3r, 108; r.a., 327
Kaluta, Michael. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Katz, Sylvia Overland. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Keene, Kathleen Shannon. 1r, 340; 2r, 372; 3r, 390; r.a., 1267
Kennedy, Margaret Ruth McLellan. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Kerr, Janet McMillan Sim Sinclair. 1r, 90; 2r, 111; 3r, 123; r.a., 488
Kerr, Otto James, 1r, 479; 2r, 505; 3rd, 518; r.a., 1267
Kieran, David Byrne. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Kingsbury, Marie Frederique Raphaelle Mireille Fortier. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Kingsland, Alexandra Protonotarios. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Korman, Georgette Rosenberg. 1r, 90; 2r, 111; 3r, 123; r.a., 488
Kotsos, Kathleen Margaret Manchios. 1r, 499; 2r, 514; 3r, 518; r.a., 1268
Knudson, Aino Maria Leinonen. 1r, 758; 2r, 782; 3r, 788; r.a., 1268
Kraska, Wera Podkopaewa. 1r, 717; 2r, 756; 3rd, 760; r.a., 1268
Kubowicz, Antoni. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Kulawik, Bronislaw. 1r, 256; 2r, 277; 3r, 282; r.a., 1266

Labranche, Rita Hamel. 1r, 256; 2r, 277; 3r, 282; r.a., 1267
Labreche, Nadine Tudor. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Labrosse, Guy. 1r, 340; 2r, 372; 3r, 390; r.a., 1267
Ladouceur, Eugena Grandmont. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Lafond, Gerard. 1r, 717; 2r, 756; 3r, 760; r.a., 1268 (Annulment).
Lafond, Marie Simone Louisette Bellemare. 1r, 115; 2r, 138; 3r, 143; r.a., 1265
Lafrance, Marie Jeannine Andree Boisclair. 1r, 650; 2r, 693; 3r, 714; r.a., 1268
Lahaye, Vera Jarvis. 1r, 527; 2r, 544; 3r, 569; r.a., 1268

Lalonde, Joseph Alphonse Yves Jean Gabriel. 1r, 107; 2r, 127; 3r, 130
Lamartine, Stella Jean Margaret Newman. 1r, 107; 2r, 127; 3r, 130; r.a., 714
Lambert, Lambly Dorothy Audrey, Hage. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Lamond, Noeleen Natalie Adams. 1r, 165; 2r, 195; 3r, 202; r.a., 1266
Lamothe, Andre. 1r, 256; 2r, 277; 3r, 282; r.a., 1267
Landau, Colette Bauer. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Lane, Margaret Kathleen Graham. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Lanese, Margaret Estelle Eleanor Evans. 1r, 107; 2r, 127; 3r, 130; r.a., 714
Lapierre, Earl Bernard. 1r, 107; 2r, 127; 3r, 131; r.a., 1265
Lassonde, Rene. 1r, 165; 2r, 194; 3r, 201; r.a., 1266
Latendresse, Joseph Leo Roger. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Lavictoire, Armand Simeon. 1r, 280; 2r, 309; 3r, 326; r.a., 1267
Lawrence, Beulah Benford Brown. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Lawrence, Mary Rebecca Pittman. 1r, 788; 2r, 833; 3r, 839; r.a., 1269
Lebel, Jean Paul Alfred. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Leduc, Yvette Dubois. 1r, 78; 2r, 102; 3r, 108; r.a., 327
Lefebvre, Martine Simonne Georgette Kretly. 1r, 759; 2r, 782; 3r, 788; r.a., 1269 (Annulment).
Leger, June Laura Welby. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Leger, Marie Cecile Leda Vezeau. 1r, 256; 2r, 277; 3r, 282; r.a., 1266 (Annulment)
Lehnen, Maria Reichinger. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Leslie, Carolyn Louise Atwood. 1r, 787; 2r, 832; 3r, 839; r.a., 1269
Levy, Kathleen Beatrice Title. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Lewchuk, Helen Caroline Coleman. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
L'Heureux, Paul. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Locke, Vera Arlene Perry. 1r, 339; 2r, 371; 3r, 390; r.a., 1267
Lummis, Owen John. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Lund, Eva Facey. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Lyons, Claire Ruth Rubins. 1r, 583; 2r, 645; 3r, 654; r.a., 1268

MacDonald, Frances Theresa Smith. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
MacKenzie, Kenneth Alan. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
MacKenzie, Violet Sandra Miller. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
MacPherson, Eileen Coates. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Maddison-Roberts, Mary (Moira) Steel Taylor. 1r, 499; 2r, 514; 3r, 518; r.a., 1267
Malo, Monique Bauset. 1r, 129; 2r, 150; 3r, 154; r.a., 1265
Mancuso, Giovanna Intini. 1r, 385; 2r, 435; 3r, 450; r.a., 1267 (Annulment)
Mannens, Maria Jacoba Arens. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Marcil, Claire Viger. 1r, 787; 2r, 832; 3r, 839; r.a., 1269
Marsden, Vira (Vera) Kotyk. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Marshall, Margaret Clare Haigh. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Marsolais, Andre. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Martel, Maurice Joseph. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Martin, Sheila Ethel Mitchell. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Martz, Jean Brasgold. 1r, 107; 2r, 127; 3r, 130; r.a., 714.
Marzitelli, Frances Malofy. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Massue, Paul Drolet. 1r, 200; 2r, 231; 3r, 236; r.a., 1266
Matte, Ida Denis. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Matthew, Honoria Evelyn Day. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Mavor, Catherine Maureen Kelly. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Mazurette, Jacqueline Joly. 1r, 90; 2r, 111; 3r, 123; r.a., 488
McCullough, Monica Carolyn Nolan. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
McGuinness, Claire Marie Marchand. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
McIntosh, Barbara Ann Tuppen. 1r, 165; 2r, 195; 3r, 202; r.a., 1266
McLaughlin, Marie Rose Nicola Lapenna. 1r, 107; 2r, 127; 3r, 131; r.a., 1265
McLean, Norma Katherine MacDonald. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Meades, Glenda Ruth Warren. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Meehan, Joan Emily Wills. 1r, 107; 2r, 127; 3r, 130; r.a., 1003
Mendel, Ruth Irene Diakur. 1r, 280; 2r, 310; 3r, 327; r.a., 1267
Menzies, Patricia Shirley Rydberg. 1r, 340; 2r, 372; 3r, 390; r.a., 1267
Mitchell, Carmel Duguay. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Mittler, Alexander Leslie. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Morency, Paul. 1r, 759; 2r, 782; 3r, 788; r.a., 1269

Morin, Marie Therese Louise Forest. 1r, 152; 2r, 173; 3r, 185; r.a., 1265
Morris, Audrey Mary Crosbie. 1r, 280; 2r, 309; 3r, 327; r.a., 1267
Mugford, Ronald. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Mulcair, Dorothy May Kenny. 1r, 115; 2r, 138; 3r, 144; r.a., 1265

Nadasdi, Julianna Barna. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Napasney, Daniel Edward. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Nassif, Gwendolyn Marion Mizener. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Nathan, Percival Verna. 1r, 568; 2r, 594; 3r, 613; r.a., 1268
Neilan, James William. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Neiman, Myrna Ada Webber. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Nimrod, Rivka Fridman, otherwise known as Rivka Fridman Nimrod-Lothan, otherwise known as Rivka Fridman Hebel. 1r, 152; 2r, 173; 3r, 184; r.a., 1265
Nimrod-Lothan, Rivka Fridman—*See* Nimrod, Rivka Fridman
Nowak, Janina Rodzoch. 1r, 200; 2r, 231; 3r, 235; r.a., 1266

Oakley, John Gilbert. 1r, 107; 2r, 127; 3r, 131; r.a., 1265
Odell, Dorothy May Vallis. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Ogilvie, Barbara Dolores Jones. 1r, 78; 2r, 103; 3r, 108; r.a., 327
Orsa, Larry. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Oss, Bernice May Snow. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Ostrosky, Joan Dunn. 1r, 437; 2r, 480; 3r, 491; r.a., 1267
Ovrutzky, Boris Moses. 1r, 152; 2r, 174; 3r, 185; r.a., 1266

Pallen, Ethel Georgina Pottle. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Pande, Shashi Kumar. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Papineau, Louise Dupuis. 1r, 152; 2r, 174; 3r, 185
Parenteau, Marie Marthe Alberta Ladouceur. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Park, Mary Jean Frances Collins. 1r, 759; 2r, 782; 3r, 789; r.a., 1269
Parker, Arthur Edward. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Parker, Robert Hugh. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Parry, Rose Ella Katherelos. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Parsons, Geraldine Anne Mary McElligott. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Pastor, John. 1r, 165; 2r, 194; 3r, 201; r.a., 1266
Pelchat, Marie Rita Desneiges Trepanier. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Perrault, Valerie Elsie Price. 1r, 568, 2r, 594; 3r, 613; r.a., 1268
Perreault, Rolande Mercier. 1r, 1038; 2r-3r, 1077; r.a., 1269
Perrett, Dorothy Craven Masse. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Perzow, Rena Kanofsky. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Petrachuk, Margaret Elizabeth Perkins. 1r, 499; 2r, 514; 3r, 518; r.a., 1268
Pietrinferno, Rose Mary Dubeau. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Pineo, Noreen Elizabeth Cassidy. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Pinkerton, William. 1r, 437; 2r, 480; 3r, 490; r.a., 1267
Poissant, Florian. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Pomerleau, Willie. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Porcheron, Joseph Arthur. 1r, 200; 2r, 231; 3r, 236; r.a., 1266
Portnoff, Anne Smilovitch. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Pouliot, Marcel. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Priestley, John. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Proulx, Leo. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Przybyla, Stanislaw. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Pull, Ivy Helen Gentles Bell. 1r, 650; 2r, 693; 3r, 713; r.a., 1268

Quartz, Hubert Shirley. 1r, 115; 2r, 138; 3r, 144; r.a., 1265

Racette, Militza Anich. 1r, 107; 2r, 127; 3r, 130; r.a., 714
Ramshaw, Helen Elisabeth Millar. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Raustis, Patricia Frances Turley. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Ravitsky, Mac. 1r, 152; 2r, 174; 3r, 185. r.a., 1266
Raymond, Marie Lucille Simone David. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Raymond, Paul Emile. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Redfearn, George Barrington. 1r, 90; 2r, 111; 3r, 123; r.a., 327
Reed, Elizabeth Davis. 1r, 759; 2r, 782; 3r, 789; r.a., 1269
Regenstrief, Ann Aaron. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Reinhold, Lillian Olive Robertson. 1r, 437; 2r, 480; 3r, 490; r.a., 1267

Reutter, Maria Ruland. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Ribkoff, Rose Vosko. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Roberts, Kathleen Margaret Sinclair McKenna; 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Robertson, Estelle Labelle Baxter. 1r, 256; 2r, 277; 3r, 282; r.a., 1267
Robinson, Beverley Cowan Moore. 1r, 78; 2r, 102; 3r, 109; r.a., 327
Robinson, Marlene May Myles. 1r, 199; 2r, 231; 3r, 235; r.a., 1266
Rockburn, Beatrice Jean Madsen. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Rogers, Joyce Mary Whiteman. 1r, 339; 2r, 371; 3r, 390; r.a., 1267
Rohr, Sally Emden. 1r, 90; 2r, 111; 3r, 123; r.a., 488.
Roll, Ruth Sherman. 1r, 78; 2r, 102; 3r, 109; r.a., 327.
Romanowski, Kazimierz. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Ronalds, Diana Elizabeth Wilson. 1r, 787; 2r, 832; 3r, 839; r.a., 1269
Rothman, Sarah Wolman. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Routliffe, Mary Glen Keirstead. 1r, 152; 2r, 173; 3r, 185; r.a., 1266
Rowney, Marie Paule Andree Mercier. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Roy, Gustave. 1r, 649; 2r, 693; 3r, 713

St-Laurent, Gisele Fortin. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Salomon, Barbara Raphael. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Salsky, Frances Cohen. 1r, 788; 2r, 833; 3r, 840; r.a., 1269
Sanderson, Margaret Dunn Hepburn. 1r, 165; 2r, 194; 3r, 201; r.a., 1266
Sarrazin, Denise Baril. 1r, 437; 2r, 480; 3r, 490; r.a., 1267
Sarroino, Denise Claire Lescarbeau. 1r, 787; 2r, 832; 3r, 839; r.a., 1269
Savoie, Donat. 1r, 152; 2r, 173; 3r, 185; r.a., 1265
Sceviour, James Joseph. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Schaffer, Sonia Floomberg. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Schneider, Annie Selinskas—*See* Schneidereit, Annie Selinskas
Schneidereit, Annie Zilinskas, otherwise known as Annie Zilinskas Schneider. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Schofield, Olive Bowes. 1r, 280; 2r, 310; 3r, 327; r.a., 1267
Schreiber, Shirley Huberman. 1r, 280; 2r, 310; 3r, 327; r.a., 1267
Selinger, Fagy Litner. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Sepchuk, Stanley. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Sevigny, Audrey Louise Bryan. 1r, 90; 2r, 111; 3r, 123
Shaicavitch, Sybil Fenster. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Shannon, Gerald Onie. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Shapiro, Barbara Steinberg. 1r, 90; 2r, 111; 3r, 123; r.a., 488
Shapiro, Marion Toba Wolfe Cohen. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Shaw, Katherine Elizabeth Moore. 1r, 152; 2r, 173; 3r, 185; r.a., 1265
Sheydwasser, Sandra Maxine Shoore. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Shuch, Mary Semenyshyn, otherwise known as Mary Semenyshyn Shuck. 1r, 129; 2r, 150; 3r, 154; r.a., 1265
Shuck, Mary Semenyshyn—*See* Shuch, Mary Semenyshyn
Shulman, Charlotte Stilman. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Shuster, Helen Landau. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Sicotte, Joseph Arthur Andre. 1r, 152; 2r, 173; 3r, 185; r.a., 1265
Silverman, Donna Lois Marchand. 1r, 115; 2r, 138; 3r, 144; r.a., 1265 (Annulment)
Simard, Philippe. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Simon, Delema Grace Mullin. 1r, 107; 2r, 127; 3r, 131; r.a., 1265
Simpson, Lillian Juanita Sheppard. 1r, 200, 2r, 213; 3r, 235; r.a., 1266
Sims, James Justin. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Singer, Rose Van Embden. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Skolnik, Vivian Phyllis Steine. 1r, 107; 2r, 127; 3r, 130; r.a., 1003
Slade, Marie Evelyn Lindsay. 1r, 499; 2r, 514; 3r, 518; r.a., 1267
Sladek, Frantisek. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Slawinski, Anna Soltysik. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Slepp, Paulette Goldberg. 1r, 280; 2r, 310; 3r, 327; r.a., 1267
Smith, France Andree Joly. 1r, 1038; 2r-3r, 1077; r.a., 1269
Smith, Lynda Marjorie Cowell. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Snowdon, Donald. 1r, 107; 2r, 127; 3r, 130; r.a., 488
Sohn, Glafira Milczyn, otherwise known as Vera Milczyn Sohn. 1r, 107; 2r, 127; 3r, 130; r.a., 714
Solkin, Elaine Louise Robinson. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Soloducha, Janina Lukaszewicz. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Stapinskyj, Franko (Franz). 1r, 385; 2r, 435; 3r, 450; r.a., 1267

Steppan, Erwin Thomas. 1r, 107; 2r, 127; 3r, 130; r.a., 1003
Stevenson, Anna Margaret Laurie Cannon. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Stewart, Sarah Mary Shirley Collins. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Stickles, Leslie Robert. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Stitt, Robert Gordon. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Stolovitz, Claire Syrek. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Strzelczyk, Wincenty. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Sutherland, Shirley Grace Edythe Sayers, otherwise known as Shirley Seguin Sutherland. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Sutherland, Shirley Seguin—*See* Sutherland, Shirley Grace Edythe Sayers
Szczepanski, Joseph. 1r, 200; 2r, 231; 3r, 235; r.a., 1266

Taghon, Alphonse. 1r, 759; 2r, 782; 3r, 789; r.a., 1269
Tanton, Philippa Jane Hutchins. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Tarride, Claudine Fernande Yvette Thibaudeau. 1r, 115; 2r, 138; 3r, 144; r.a., 1265
Taylor, Eleanor Jean Mott. 1r, 568; 2r, 593; 3r, 613; r.a., 1268
Thacker, Brenda Mary Pardy. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Therrien, Omer. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Thomas, Ethel Bannister. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Thomason, Timothy David Rudston. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Thresh, George Graham. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Tibbo, Margaret Hunt. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Titleman, Gloria Helene Stotland. 1r, 279; 2r, 309; 3r, 326; r.a., 1267
Tomy, Joyce Tabah. 1r, 280; 2r, 310; 3r, 327; r.a., 1267
Tremblay, Mary Jean Olive De Vouge. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Truby, Maria Lozinsky. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Tsitsos, Evagelia Karidi. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Tune, David Lloyd. 1r, 479; 2r, 505; 3r, 518; r.a., 1267
Turgeon, Gerard Henri. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Turgeon, Norma Rosalie Parsons. 1r, 256; 2r, 277; 3r, 282; r.a., 1266

Vaillancourt, Evelyn Annie Macleod. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Vaillancourt, Herve. 1r, 650; 2r, 693; 3r, 713; r.a., 1268
Valade, Laurette Biron. 1r, 256; 2r, 277; 3r, 282; r.a., 1267
Vallee, Gisele Raymond. 1r, 649; 2r, 693; 3r, 713; r.a., 1268
Van der Spoel, Neeltje Doruijter. 1r, 385; 2r, 435; 3r, 450; r.a., 1267
Vardy, Elsie Mae Freake. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Veri, Nicola Salvatore. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Vermette, Roger. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Villeneuve, Jean Ludger. 1r, 129; 2r, 150; 3r, 153; r.a., 1265
Vineberg, Mary Wooloch. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Vinet, Joseph Henri Marcel. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Vinters, Jean Elizabeth MacCuaig. 1r, 340; 2r, 372; 3r, 390; r.a., 1267

Walker, Jacquelyn Gregory Bradley. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Walker, Joyce Middlehurst. 1r, 340; 2r, 372; 3r, 390; r.a., 1267
Ward, Maurice Sykes. 1r, 165; 2r, 194; 3r, 202; r.a., 1266
Was, Caroline Petryshyn. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Weber, Maria Hocheder. 1r, 256; 2r, 277; 3r, 282; r.a., 1266
Webster, John Frederick Alfred. 1r, 152; 2r, 173; 3r, 184; r.a., 1265
Wedge, Iris Nellie Armstrong. 1r, 875; 2r, 908; 3r, 916; r.a., 1269
Weinstein, Florence Beryl Kellam. 1r, 280; 2r, 310; 3r, 327; r.a., 1267
Weissler, Magdalena Beata Landau. 1r, 200; 2r, 231; 3r, 235; r.a., 1266
Westover, Allen Dwight. 1r, 568; 2r, 594; 3r, 613; r.a., 1268
White, John Thomas Francis. 1r, 107; 2r, 127; 3r, 130; r.a., 1265
Wigmore, Mary Prukker. 1r, 152; 2r, 173; 3r, 185; r.a., 1265
Williams, Roy Walter. 1r, 583; 2r, 645; 3r, 654; r.a., 1268
Williams, Sheila Alexandra Anderson. 1r, 758; 2r, 782; 3r, 788; r.a., 1269
Wolczecki, Lise Johanne Carreau. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Wolfe, Barbara Joan Marsh. 1r, 165; 2r, 195; 3r, 202; r.a., 1266
Wood, Ian Church. 1r, 583; 2r, 645; 3r, 654; r.a., 1268 (Annulment)
Woods, Sterling Norman. 1r, 717; 2r, 756; 3r, 760; r.a., 1268
Wornell, Alice Marylyn Archibald Warren. 1r, 527; 2r, 544; 3r, 569; r.a., 1268
Wright, Ivy Baldwin Collier. 1r, 152; 2r, 174; 3r, 185; r.a., 1266
Wroblewski, Stanislaw. 1r, 527; 2r, 544; 3r, 569; r.a., 1268

Wyspianski, Franciszek (Frank). 1r, 499; 2r, 514; 3r, 518; r.a., 1267

Yared, Alphonse. 1r, 256; 2r, 277; 3r, 282; r.a., 1267

Zechanowitsch, Georg. 1r, 527; 2r, 544; 3r, 569; r.a., 1268

Zeppetini, Peter. 1r, 499; 2r, 514; 3r, 518; r.a., 1268

Zich, Margot Buerling. 1r, 758; 2r, 782; 3r, 789; r.a., 1269

Zisser, Alois. 1r, 479; 2r, 505; 3r, 518; r.a., 1267

Zygowski, Leon. 1r, 385; 2r, 435; 3r, 450; r.a., 1267